

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

LEGISLATIVE HISTORY

Public Law 111—82nd Congress

Chapter 301—1st Session

H. R. 3282

TABLE OF CONTENTS

Digest of Public Law 111	1
Index and Summary of H. R. 3282	1

DIGEST OF PUBLIC 111

TREASURY-POST OFFICE APPROPRIATION ACT, 1952. Provides funds for these departments and the Export-Import Bank of Washington. The act includes a provision limiting to 75% of the budget estimates the funds that may be spent for the salaries of all types of informational employees.

INDEX AND SUMMARY OF H. R. 3282

February 8, 1951	Hearings: House, on H. R. 3282
March 19, 1951	Mr. Gary, from the Committee on Appropriations reported H. R. 3282. Print of bill as reported.
March 20, 1951	House began debate on H. R. 3282
March 21, 1951	House concluded debate and passed H. R. 3282 with amendments.
March 22, 1951	H. R. 3282 referred to Senate, read twice and submitted to the Committee on Appropriations. Print of bill as referred to the Senate.
July 18, 1951	Senate reported H. R. 3282 with amendments. Senate Report 550. Print of bill as reported.
July 20, 1951	Senate began debate on H. R. 3282
July 27, 1951	Senate concluded debate and passed H. R. 3282 with amendments.
	Senate conferees appointed.
August 1, 1951	House conferees appointed
August 2, 1951	House received Conference Report. House Report 789. Print of Conference Report.
August 8, 1951	House agreed to conference report.
August 9, 1951	Senate agreed to conference report on H. R. 3282
August 11, 1951	Approved: Public Law 111

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, 1952

Including
EXPORT-IMPORT BANK OF WASHINGTON

MARCH 16, 1951.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. GARY, from the Committee on Appropriations, submitted the following

R E P O R T

[To accompany H. R. 3282]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1952, and authorizing the expenditure of corporate funds of the Export-Import Bank of Washington. The bill includes action on all estimates contained in the 1952 Budget for the above-mentioned agencies of the Government, the estimates for which are contained in the 1952 Budget (H. Doc. 17, 82nd Cong.), as follows: for the Treasury Department on pages 786 to 829, inclusive; for the Post Office Department on pages 738 to 755, inclusive; and for the Export-Import Bank of Washington on pages 144 to 148, inclusive. The committee also considered a budget amendment for the Bureau of the Mint contained in House Document No. 66.

The committee has deferred action on the Reconstruction Finance Corporation budget program inasmuch as a reorganization plan is now pending in Congress and it is felt that no action should be taken on the budget request until this plan has been acted upon by Congress.

APPROPRIATIONS AND ESTIMATES

The following tabulation summarizes the amount of the direct annual appropriations recommended in the accompanying bill in com-

parison with the corresponding budget estimates and 1951 appropriations:

	Treasury Department	Post Office Department	Total
Appropriations, 1951	\$582,708,700	\$2,252,600,000	\$2,835,308,700
Appropriations, 1951 (as reduced under Sec. 1214)	580,978,200	2,252,600,000	2,833,578,200
Estimates, 1952	597,251,000	2,360,874,000	2,958,125,000
Bill, 1952	586,100,000	2,335,500,000	2,921,600,000
Bill, compared with 1951 appropriations (as reduced under Sec. 1214)	+5,121,800	+82,900,000	+88,021,800
Bill compared with 1952 estimates	-11,151,000	-25,374,000	-36,525,000

In addition to the above regular annual appropriations there is included in the bill authorization for the Export-Import Bank of Washington to use \$950,000 of its corporate funds for administrative expenses. This represents a reduction of \$15,000 from the 1951 authorization and the 1952 budget estimate.

SUMMARY OF THE BILL

The total of the regular annual appropriations carried in title I—Treasury Department, and title II—Post Office Department is \$2,921,600,000. The reductions from the 1952 budget estimates recommended by the committee in direct appropriations is \$36,525,000. However, the amounts recommended are \$88,021,800 more than the amounts appropriated in 1951 as reduced under section 1214 in the General Appropriation Act, 1951. Most of the increase recommended is for the Post Office Department because of the increased volume of mail now being handled by the postal service.

These figures do not include the amounts which have been transferred from the Treasury and Post Office Departments' appropriations to the General Services Administration because of the assumption by that agency of the cost of certain building operations pursuant to Reorganization Plan No. 18 of 1950. \$6,481,973 has been deducted from the Treasury Department's budget estimates for 1952 and \$14,478,824 has been deducted from the Post Office Department's 1952 estimates for this purpose, making a total of \$20,960,797 transferred to the General Services Administration's appropriations for operating expenses formerly included in the appropriations of these two departments.

In reviewing the 1952 budget estimates of both the Treasury Department and the Post Office, the committee has scrutinized the requests of each bureau and agency very carefully with the view of eliminating all nonessential expenditures. However, it must be pointed out that these two departments are performing necessary services directly related to national defense, or have had their workload increased as a direct or indirect result of national defense activities as is the case, for example, of the Bureau of Accounts and the Bureau of Customs in the Treasury Department.

Mail volume in the Post Office has increased an average of 2.76 percent over fiscal year 1950 and certainly the mail services must be maintained on an adequate basis in the interest of the national welfare and security.

TITLE I—TREASURY DEPARTMENT

Appropriations, 1951 (as reduced under Sec. 1214).....	\$580, 978, 200
Budget estimates, 1952.....	597, 251, 000
Reduction by the committee.....	11, 151, 000
Recommended in the bill for 1952.....	586, 100, 000

The total amount recommended in the accompanying bill for the Treasury Department, \$586,100,000, is a decrease of \$11,151,000 in the budget estimates for 1952. The principal decreases made by the committee are as follows:

Bureau of the Public Debt.....	\$2, 900, 000
Bureau of Customs.....	800, 000
Bureau of Internal Revenue.....	3, 500, 000
Bureau of Engraving and Printing.....	800, 000
Coast Guard acquisition, construction and improvements.....	1, 000, 000

PERMANENT APPROPRIATIONS AND TRUST FUNDS

The Treasury Department, in addition to its regular annual appropriations, administers certain trust funds which are not a charge against the revenues and permanent indefinite appropriations.

The largest permanent appropriation is "Interest on the Public Debt" which is estimated at \$5,800,000,000 for 1952, an increase of \$175,000,000 over 1951. The total of the permanent appropriations is estimated at \$5,823,962,482 for the fiscal year 1952, an increase of \$172,678,350 over the 1951 appropriations.

The most significant trust funds administered by the Treasury Department are the "Federal Old-Age and Survivors Insurance Trust Fund" and the "Unemployment Trust Fund." Total expenditures out of the first of these two trust funds is estimated at \$4,139,894,000 for 1952, an increase of \$877,010,867 over 1951; and the total expenditures out of the second is estimated at \$1,479,748,290 during the fiscal year 1952, an increase of \$89,942,244 over 1951. The estimated total of all trust funds for 1952 is \$5,619,937,490 an increase of \$966,969,011 over 1951. Expenditures from these trust funds are not a charge against the general revenues of the Treasury.

A detailed tabulation of these several permanent appropriations and trust funds will be found at the end of this report.

GENERAL COMMENTS

TRANSCRIPT OF HEARINGS

The committee was not pleased this year with the condition of much of the transcript of the hearings of some of the bureaus when it was returned. In the instances complained of the transcript was almost completely rewritten to the extent it showed little or no relation to the actual testimony. Instructions issued to the department stated quite clearly that editorial changes by the witnesses must be held to a minimum and limited to changes of grammatical and other obvious errors plus *additions of such statements and other material as may be approved by the Chairman of the Subcommittee or requested by Members.* The departmental officials are directed to call this matter to the attention of all witnesses who appear at the hearings hereafter so that the committee's directives will be followed more closely in the future.

LANGUAGE SIMPLIFICATION

The appropriation language for the Treasury Department has been revised quite significantly during the past few years and further improvements in it were made this year. This has resulted in more uniformity between bureaus and divisions and eliminates many unnecessary words and phrases without changing the intent and purposes of the appropriation language. For example, the language appropriating money for the Division of Disbursement for 1952 has been reduced to eight words which are adequate and which represents an elimination of about 75 words.

However, the appropriation language for some of the Treasury bureaus and divisions, particularly the Bureau of Customs, the Bureau of Narcotics, and the Secret Service Division, should be simplified and improved along the lines followed in other bureaus where it has been made concise and clear. It is the committee's desire that the departmental budget officer assume the responsibility for improving and simplifying the remaining appropriation language which can be changed, in cooperation with the Bureau of the Budget and the staff of the Committee on Appropriations with the view of completing these language improvements so far as possible before the 1953 budget estimates are transmitted to Congress.

OFFICE OF THE SECRETARY OF THE TREASURY

Appropriations, 1951 (as reduced under Sec. 1214)-----	\$2, 877, 500
Budget estimates, 1952.-----	2, 714, 000
Reduction by the committee-----	41, 000
Recommended in the bill for 1952-----	2, 673, 000

Funds requested for the Office of the Secretary of the Treasury under the appropriation title "Salaries and Expenses, Office of the Secretary of the Treasury" for 1952 represent a consolidation of funds previously provided under the following separate appropriation headings:

- (1) "Salaries, Office of Secretary of the Treasury"
- (2) "Health Service Programs, Treasury Department"
- (3) "Salaries, Office of General Counsel"
- (4) "Salaries, Office of Administrative Services"
- (5) "Miscellaneous Expenses, Treasury Department"

The committee's recommendation in the amount of \$2,673,000 is a reduction of \$41,000 in the budget estimate. Although the amount requested for "Salaries and expenses" was \$163,500 less than the amounts appropriated in 1951 (less reductions of \$6,000 under Sec. 1214) transfers to other bureaus and agencies total \$205,902, leaving an increase of \$42,402 which was requested for 1952, principally for within-grade salary increases authorized by law. The committee made a \$36,000 reduction in the estimates for "Salaries and expenses" in the belief that this amount could be absorbed in an appropriation of this size.

The committee has made a reduction of \$5,000 in the budget estimate for claims because it does not believe \$30,000 will be needed for this purpose in 1952. The obligations in this appropriation for 1951 through December 31, 1950, were only \$7,894.

BUREAU OF ACCOUNTS

Appropriations, 1951 (as reduced under Sec. 1214)-----	\$13, 244, 000
Budget estimates 1952-----	14, 095, 000
Reduction by the committee-----	545, 000
Recommended in the bill for 1952-----	13, 550, 000

The reductions made by the committee in the amount requested by this Bureau for 1952 total \$545,000, of which \$45,000 is applicable to the appropriation "Salaries and Expenses" for the Bureau of Accounts and the remainder, \$500,000, represents the reductions made in the requests of the Division of Disbursement.

\$2,050,000 has been approved for the appropriation title "Salaries and Expenses, Bureau of Accounts", which is \$40,000 less than the amount appropriated in 1951 less the reduction of \$10,000 under Sec. 1214. Adjustments in this appropriation estimate bring the appropriation base for 1952 down to \$2,064,825 which is only \$14,825 more than the amount approved by the committee for next year, and is so small in relation to the total appropriation that it is believed this amount can be easily absorbed without interfering with any of the Bureau's programs.

Considerable testimony on improvement of accounting procedures and practices was taken by the committee when this Bureau appeared before it, because the Bureau of Accounts, in addition to its regular accounting and auditing duties for the Department, has important work to perform in connection with the cooperative program of the Secretary of the Treasury, the Director of the Bureau of the Budget and the Comptroller General to improve accounting in the Federal Government.

In addition to making studies within the Bureau itself to effect economies and improve accounting procedures and processes along modern business lines, the Bureau, in cooperation with the accounting staffs of the bureaus concerned and the General Accounting Office, is currently making surveys of the entire accounting and budgetary systems of the Bureau of Customs and Coast Guard to determine what improvements should be put into effect to improve all of their fiscal operations. A cooperative survey of the financing and operations of the Bureau of Engraving and Printing has just been completed for the purpose of recommending the adoption of a business type budget and cost accounting procedures for that Bureau.

The committee has been vitally interested in improving the accounting and budgetary procedures of the entire Federal Government and has encouraged the adoption of modern accounting methods by allowing ample funds in the past for management surveys and improved accounting programs including the installation of modern electronic tabulating and computing equipment wherever it was justified. The committee will continue its interest in these improvement programs, but at the same time does not believe any additional funds are needed by the Bureau of Accounts for this purpose in 1952 because the Bureau has received significant increases in its annual appropriations during the past three years.

The amount recommended in the bill for the Division of Disbursement is \$11,500,000, a reduction of \$500,000 from the 1952 budget estimate but \$450,000 more than the amount appropriated in 1951. Although this Division's appropriation will be charged for the cost of blank checks during 1952, a cost formerly charged to the Bureau of

Engraving and Printing appropriation, nevertheless, this is offset in part by the transfer of \$108,000 to the General Services Administration which brings the appropriation base for 1952 to \$11,396,000. The amount recommended by the committee is \$104,000 above this figure and should be sufficient for 1952.

The committee is well aware of the increased work load being borne by the Division of Disbursement, but while it is true that the increased volume of processing payments, collections and savings bonds is very directly related to national defense activities, the committee feels that the unit cost should decrease as the volume rises, rather than increase. A statement submitted by the Chief Disbursing Officer showed that the average unit cost of processing 198,097,940 items was \$0.06035 during 1950 but that the estimated average unit cost of processing slightly over 202 million items in 1952 would be \$.06234, or an increase of over 3 percent. If the 202 million items estimated for 1952 were processed at the same average unit cost that the items were processed for in 1950, savings of over \$400,000 could be made, and if the unit cost were reduced to 6 cents the savings would be almost \$475,000.

Accordingly, the committee strongly urges the Division to make every effort to reduce the unit cost of issuing checks through the efficient use of electronic and mechanical equipment and improved accounting and payroll procedures. Although the committee fully realizes that the unit cost of making payments cannot be reduced to the figure of $3\frac{1}{4}$ cents that was reached in the national service life insurance dividend program, at the same time it is certainly a worthwhile goal or objective to bear in mind as a guide for future fiscal operations. The peak of efficiency in this area in the Division has not yet been reached in spite of the progress that has been made during the past few years.

BUREAU OF THE PUBLIC DEBT

Appropriation, 1951 (as reduced under Sec. 1214).....	\$50, 250, 000
Budget estimates, 1952.....	52, 900, 000
Reduction by the committee.....	2, 900, 000
Recommended in the bill for 1952.....	50, 000, 000

The committee recommends a reduction of \$2,900,000 from the budget estimates for the Bureau of the Public Debt and the amount recommended for 1952 is only \$250,000 less than the amount appropriated for this Bureau in 1951 after a reduction of \$255,000 under section 1214.

The \$50,000,000 recommended in the bill is \$673,502 more than the appropriation base for 1952 and should be sufficient to take care of the Bureau's increase in work-load related to the promotion of the sale of savings bonds, and the issuance, servicing and retirement of savings bonds and other Treasury securities.

The committee was not convinced that there was any justification for increasing the funds for the Bureau's activity for the "Issuance, servicing, and retirement of savings bonds" by anywhere near the amount of \$3,251,654 which was requested in the budget estimate. Evidence was submitted to the committee during the hearings that the volume of work estimated for this activity during the present fiscal year was not as great as anticipated, and that savings of \$179,000 in addition to the \$421,000 reported in the justifications could be realized during 1951.

As a consequence the committee does not believe that this Bureau would be justified in employing much if any additional personnel in 1952.

The Commissioner of the Bureau testified that "the Korean situation caused a rather sharp flurry of redemption" but that it reached its peak late last summer and that redemptions have gradually declined from that point and have now leveled off.

The committee was impressed with the accomplishments during the past few months in the Treasury Department's payroll savings stimulation plan. It was stated during the hearings that many large and nationally known corporations are increasing savings bond participation among their employees to a very significant degree. The number of employees in the payroll savings plan in these corporations has increased from an average of about 20 per cent to as high as 83 per cent participation in one corporation. The committee believes that this type of savings bond promotion is not only very effective but can be carried on at little cost to the Treasury Department and for that reason is the type of program that should be encouraged as much as possible.

OFFICE OF THE TREASURER

Appropriations, 1951 (as reduced under Sec. 1214)-----	\$5, 650, 000
Budget estimates, 1952-----	21, 600, 000
Reduction by the committee-----	625, 000
Recommended in the bill for 1952-----	20, 975, 000

The committee is recommending an appropriation of \$20,975,000 for the Office of the Treasurer, a reduction of \$625,000 from the budget estimate. \$600,000 of this reduction is to be applied to the appropriation title "Salaries and Expenses," and the remaining \$25,000 to the appropriation title "Contingent Expenses, Public Moneys," for which \$475,000 is recommended in 1952—the same as the amount appropriated in 1951.

The large increase in the 1952 appropriation "Salaries and expenses" is caused by the proposed change in financing the work performed for the different bureaus by the Bureau of Engraving and Printing, which heretofore has been charged to the appropriation for the Bureau of Engraving and Printing. Under this new plan each bureau will carry funds in its appropriation for the cost of this work, and accordingly, there is included in the 1952 Budget estimates of the Office of the Treasurer \$15,834,134 for the cost of 1,482,000,000 pieces of paper currency.

The committee is allowing the full amount requested for new currency and directs that none of the reduction of \$600,000 be applied to cost of printing and issuing new paper currency. Testimony disclosed that the stock of \$1 bills on hand on December 1, 1950, was the lowest it has been for many years.

During the hearings on the Bureau of Engraving and Printing it was emphasized that under the new financial plan the purchasing bureaus would be concerned with both the quantity of work such as new currency or new stamps, as well as the cost of producing this work. In other words the bureaus would become "cost conscious" to the degree that they would also be a check on the operations of the Bureau of Engraving and Printing. However, it developed during the hearings on the estimates for the Office of the Treasurer that this agency was quite willing to accept the cost figures for printing currency with-

out questioning them in the least, even though it had the largest amount in its estimates for reimbursement to the Bureau of Engraving and Printing of all the Treasury bureaus. As a matter of fact one of the witnesses from the Office of the Treasurer stated during the hearings that "The unit cost is for the Bureau of Engraving and Printing to tell you from their cost operations and we cannot go into it."

It seems to the committee that since the unit cost of printing paper currency has almost doubled since 1939, the Office of the Treasurer should be vitally concerned over the cost of printing currency, particularly since the funds allowed by the Bureau of the Budget for paper currency will permit only 123,500,000 sheets to be printed during 1952, which is 6,500,000 less than is estimated will be printed during the present fiscal year—in the face of what appears to be an increasing demand for more paper money.

The committee after careful deliberations rejected the request for an indefinite appropriation authorization in 1952 for "Contingent Expenses, Public Moneys," and is recommending an annual appropriation of \$475,000 which is the same as the amount appropriated in 1951.

BUREAU OF CUSTOMS

Appropriations, 1951.....	\$36, 825, 000
Budget estimate, 1952.....	38, 300, 000
Reduction by the committee.....	800, 000
Recommended in the bill for 1952.....	37, 500, 000

The committee has made a reduction of \$800,000 in the 1952 budget estimates for this Bureau and is recommending an appropriation of \$37,500,000 which is an increase of \$675,000 over the amount appropriated in 1951 and \$181,160 more than the appropriation base for 1952.

The committee has allowed the full year cost of the 207 new positions included in the Second Supplemental Appropriation Act, 1951, for the Bureau of Customs for part of the year but has not allowed any additional positions requested for 1952.

It was disclosed during the hearings that none of the 207 positions had been filled although over a month had elapsed since these positions were authorized. The committee is well aware of the increased workload confronting the Customs Bureau but cannot understand why the recruitment of this additional personnel has not been pushed vigorously by the Bureau, especially since the need for them had become so acute that a supplemental request was presented to Congress and approved as an emergency need of the Bureau.

The committee is greatly concerned over the management-improvement program in the Bureau and is convinced that there is not enough energy being expended to put long needed operating reforms into effect. The Secretary of the Treasury testified that although nearly all of the 180 recommendations contained in the McKinsey and Company report and other Bureau studies have been investigated and evaluated, approximately one-half of the recommendations accepted have not yet been implemented.

The committee urges that the management-improvement program of the Bureau be expedited because it is convinced that there is much room for improvement in several areas.

It is hoped also that the Treasury Department will press for enactment at this session of Congress of a customs simplification bill which incorporates 16 recommendations for improved operations that require legislative action and which the committee understands will simplify

the administration of customs service. It is expected that both increased efficiency and economy will result from the approval of this proposed legislation.

The committee has reduced the amount requested for personal services in the District of Columbia from \$1,111,500 to \$1,000,000 which is \$70,000 less than the amount appropriated in 1951, because the committee believes there is overstaffing in the Washington office of the Bureau. The Bureau's services to the public would be greatly improved if more accent were placed on field activities, particularly in the ports where imports have been increasing rapidly during the past year.

BUREAU OF INTERNAL REVENUE

Appropriations, 1951 (as reduced under Sec. 1214)-----	\$246, 828, 000
Budget estimates, 1952-----	255, 508, 000
Reduction by the committee-----	3, 500, 000
Recommended in the bill for 1952-----	252, 008, 000

The committee has made a reduction of \$3,500,000 in the estimates of the Bureau of Internal Revenue for 1952 and is recommending that \$252,008,000 be appropriated for the next fiscal year. This is an increase of \$5,180,000 over the amount available to this Bureau during the 1951 fiscal year, not including \$5,274,000 transferred to General Services Administration which will, effective on July 1, 1951, assume the cost of a portion of the rental quarters now under lease by the Bureau of Internal Revenue.

No funds for additional personnel have been allowed for 1952 and the Bureau is directed to make whatever adjustments of allotments within its appropriation as may be necessary to provide the amount that is needed for temporary employees in the Collectors offices in peak periods within the appropriation made to the Bureau.

The committee has made a substantial reduction in the funds requested to project on a full-year basis the field positions for administering the Social Security Act amendments authorized for part of a year in the Supplemental Appropriation Act, 1951. The Bureau's original estimate called for 2,503 positions for 3 months and 5 months at a total estimated cost of \$3,760,000. Congress reduced this estimate by about one-third and appropriated \$2,500,000. However, in preparing its 1952 budget estimates, the Bureau of Internal Revenue did not reduce the number of these positions by a single position, even though its supplemental estimate was reduced \$1,260,000, and asked for funds in 1952 to project 2,503 positions for 9 months and 10 months. In other words, the Bureau did not reduce the number of positions after Congress cut its estimate, but instead shortened the periods of employment from 3 and 5 months in the 1951 fiscal year to 2 and 3 months. Thus it has deferred the employment of this new personnel until late in the present fiscal year.

The committee not only strongly disapproves of such a practice to avoid appropriation cuts made by Congress, but also questions seriously the need for any such increase in personnel when the Bureau is apparently able to meet its already increasing work-load under the Social Security Act amendments without filling any of the additional positions requested.

None of the reduction made in the estimates is to be applied to the request for five additional installations of tabulating and electrotape

equipment because this will not only improve collection methods but should also result in considerable savings in personnel to be reflected in the 1953 estimates.

The committee has allowed the \$8,000 requested in 1952 for the payment of income tax on railroads in Alaska which is the same as the amount appropriated in 1951.

BUREAU OF NARCOTICS

Appropriation, 1951 (as reduced under Sec. 1214)-----	\$1, 845, 000
Budget estimates, 1952-----	2, 100, 000
Reduction by the committee-----	75, 000
Recommended in the bill for 1952-----	2, 025, 000

The amount included in the bill for this Bureau is \$2,025,000 which is an increase of \$180,000 over the amount appropriated in 1951 less the \$5,000 reduction under section 1214.

The committee has approved the thirty additional officers requested in order to enable the Bureau to cope with the increase in the illicit narcotic traffic. This increase will bring the force of officers up to 218 which is a smaller force than the Bureau had prior to World War II, as the committee believes that the narcotic situation is just as serious, if not more so, than it was before the last war.

The total case load during the fiscal year 1950 was 23,337 or an increase of 4,312 cases since 1949. On June 30, 1950, there were 5,766 cases pending for investigation or an increase of 2,402 cases since the year before, an increase of over 70 percent—an alarming increase.

The Commissioner testified during the hearings that there has been a marked increase in drug addiction among young persons in the past few years and that this increase could best be demonstrated by the fact that 2 years ago there were 3 addicts under the age of 21 at the Lexington Hospital, and today there are about 200 patients under 21 years of age at this hospital.

There has been a sharp and steady rise in the heroin traffic which is a drug twice as potent as morphine and preferred by both the addict and the peddler. Firsthand investigations prove that there is a practically unlimited supply of heroin available for smuggling from Turkish and other Mediterranean and South European points, and the illegal drug situation in this country has reached the point where the field force in the Bureau of Narcotics should be increased as soon as possible.

The marijuana situation still remains bad and although illicit planting in this country has practically been eliminated much smuggling in marijuana still continues.

The Bureau of Narcotics is also cooperating very closely with the national office of Civilian Defense to make sufficient drugs available to the medical profession in the target areas in the event of a bombing or other disaster. The committee commends the Bureau for this action and urges that these cooperative plans be continued.

BUREAU OF ENGRAVING AND PRINTING

Appropriation, 1951 (as reduced under Sec. 1214)-----	\$21, 055, 000
Budget estimates, 1952-----	3, 800, 000
Reduction by the committee-----	800, 000
Recommended in the bill for 1952-----	3, 000, 000

After a thorough investigation of all of the factors involved including a study of the effects of the proposed financial changes on all of the bureaus of the Treasury Department, the committee has approved appropriation language in the bill that will enable the Bureau of Engraving and Printing to operate a working capital fund authorized by Public Law 656 (approved August 4, 1950). There is included in the bill \$3,000,000 to provide the necessary cash required to cover the cost of operations until such time as funds are recovered through reimbursements from other bureaus and agencies of the Government for work produced.

The committee has made a reduction of \$800,000 in the estimate because it believes \$3,000,000 cash advance will be sufficient. The average monthly cost of personal services is approximately \$2,000,000 leaving a margin of \$1,000,000, not including accounts receivable estimated to exceed \$900,000 on June 30, 1951. These amounts which will be due from other Government agencies should be collected during the month of July, which should provide the Bureau with \$1,900,000 cash above payroll costs during the first month of operations, not including any amounts that may be collected for work delivered during July. This amount is deemed to be sufficient for other expenses including the purchase of supplies and materials during the first month, much of which will not require outlays of cash until some time after purchase orders have been issued.

Under this plan the Bureau of Engraving and Printing will receive reimbursements for all work done for all of the bureaus in the Treasury Department as well as for all other Government agencies. In the review of the 1952 budget estimates submitted for all of the bureaus in the Treasury Department, the committee has approved all of the amounts requested to reimburse the Bureau of Engraving and Printing for work needed during the 1952 fiscal year.

The committee is not satisfied with the statement of financial condition submitted by the Bureau because it believes that the depreciated value of plant machinery and equipment is capitalized too low. These valuations should be restudied and a more realistic value placed on the books which will enable the Bureau to fund its depreciation on a realistic and businesslike basis. The committee does not intend to approve funds for the replacement of equipment or the purchase of new equipment for the Bureau of Engraving and Printing that will be needed in the ordinary, regular course of operations. Consequently, in order that the Bureau may be enabled to fund its depreciation in a wholly acceptable and satisfactory manner, a value must be placed on its plant machinery and equipment which will coincide with present day market values more closely than the figures submitted indicate.

The committee has eliminated as unnecessary the proposed language which reads as follows "Provided further, that hereafter said fund shall be available for the purchase (for replacement only) and hire of passenger motor vehicles."

The Act which provides for the establishment of the Bureau of Engraving and Printing Fund (Public Law 656, 81st Congress) states in Section 2 (d) that the "fund shall be available without fiscal year limitation for *financing all costs and expenses of operating and maintaining the Bureau subsequent to June 30, 1951*" (Italics supplied) and the committee does not propose to amend it so soon after enactment and before it becomes operative.

SECRET SERVICE DIVISION

Appropriations, 1951 (as reduced under Sec. 1214)-----	\$3, 528, 700
Budget estimates, 1952-----	3, 697, 000
Reduction by the committee-----	175, 000
Recommended in the bill for 1952-----	3, 522, 000

The activities of the Secret Service Division are financed by the following three appropriations: "Salaries and Expenses, Secret Service Division"; "Salaries and Expenses, White House Police"; and "Salaries and Expenses, Guard Force".

The committee has made a reduction of \$125,000 in the 1952 budget estimates for "Salaries and Expenses, Secret Service Division" and \$50,000 in the estimates for the Guard Force which guards the Treasury Building and the Annex.

The amount approved for "Salaries and expenses, Secret Service Division" is \$166,300 more than the amount appropriated for 1951, and is approximately \$103,000 more than the appropriation base for 1952 which is sufficient to replace 35 old automobiles and employ a part of the number of additional agents requested to investigate counterfeiting and check forgery cases.

The full amount requested for the White House Police, \$647,000, has been allowed and although the committee has approved language which will permit the continued employment of the 41 additional policemen authorized by the Second Supplemental Appropriation Act, 1951, nevertheless, the Treasury Department is directed to seek enactment of a bill amending Section 2 of the Act of August 15, 1950 (Public Law 693) which limits the White House Police to one hundred thirty three, in order that this language may be eliminated next year. The committee will expect the Budget estimate for 1953 to be submitted in accordance with authorizing legislation.

BUREAU OF THE MINT

Appropriation, 1951-----	\$3, 800, 000
Budget estimates, 1952-----	5, 190, 000
Reduction by the committee-----	690, 000
Recommended in the bill for 1952-----	4, 500, 000

The original 1952 estimate for the Bureau of the Mint which was contained in the Budget was \$3,990,000, and hearings were held by the subcommittee on this Bureau's requests for this amount on February 19, 1951, at which time the subcommittee was surprised to learn that the estimate of \$3,990,000 was considered inadequate and that a request for an additional sum of \$1,200,000 was "on the way". The hearings also disclosed that the increased demand for coins which justified this additional request had been growing constantly since June, 1950, and had been a matter of concern to the Bureau for several months.

House Document No. 66, includes a supplemental request for the Bureau of the Mint in the amount of \$1,200,000, and hearings on this supplemental 1952 request were held by the subcommittee on March 7, 1951.

The committee has made a reduction of \$690,000 in the budget estimates for this Bureau, and is recommending that \$4,500,000 be appropriated in 1952. This is an increase of \$700,000 over the amount appropriated in 1951, and since \$100,000 additional will be

required for wage increases already authorized and over which the Bureau has no control, \$600,000 of the increase will be available for the production of approximately 350 million more coins.

During the first six months of the fiscal year 1951 approximately 1,048,000,000 coins were delivered which is over twice as many as were delivered during the entire fiscal year 1950.

In view of this enormously increasing demand, the committee feels that every effort should be made to appeal to the public to put coins back into circulation, and accordingly, it is suggested that the Director of the Mint publicize the need for coins, in a manner similar to that which was done so effectively by the Director during the war. In this way savings will be made in the annual appropriations for the Bureau as well as in critical materials which are badly needed for national defense.

Testimony during the hearings brought out the fact that the Federal Reserve Bank of New York sent out a circular to its member banks last year requesting them to urge their depositors to put their coins back in circulation and as a result over \$750,000 in coins reappeared. The success of the New York Federal Reserve Bank's campaign certainly recommends that similar action be taken by all of the Federal Reserve Banks as soon as possible and the committee requests that the Director of the Mint take the leadership in such a program.

The committee is concerned over the "hiring and firing" of employees by the Bureau of the Mint as the demand for coins rises and falls. This certainly does not contribute anything to the morale of the employees in the several Mints. The committee believes that some utilization of the facilities of outside firms during periods of peak demand might result in more stable employment conditions in all of the Mints. Therefore, it is requested that the Director of the Mint investigate the possibilities of such arrangements and report back with her recommendations and findings at the hearings next year.

COAST GUARD

Appropriations, 1951.....	\$195, 075, 000
Budget estimates, 1952.....	197, 347, 000
Reduction by the committee.....	1, 000, 000
Recommended in the bill for 1952.....	196, 347, 000

The activities of the Coast Guard are provided for by the following four appropriations:

<i>Title</i>	<i>Amount of 1952 Estimate</i>
Operating expenses.....	\$162, 700, 000
Acquisition, construction and improvements.....	16, 000, 000
Retired pay.....	16, 647, 000
Reserve training.....	2, 000, 000

Because the United States Coast Guard is so closely allied with the defense efforts of the Government the committee has allowed the full amount requested in three of the four Coast Guard appropriations, and has made a reduction of one million dollars in the fourth—"Acquisition, Construction and Improvements."

The sums allowed will enable the Coast Guard to carry out its general functions of maritime law enforcement, providing navigational aids to commerce, operation of ocean weather stations and military readiness to serve as part of the Navy in time of war or national emergency. Additional funds totalling \$8,703,750 have been provided

in the bill to place the port security program, which was authorized by the Act of August 9, 1950, on a full year basis.

The committee has approved the establishment of a new appropriation title "Reserve Training, Coast Guard" to provide for the reserve program carried in the 1951 appropriation act for the Treasury Department under the appropriation "Operating Expenses, Coast Guard." The full amount of \$2,000,000 requested has been approved, which represents an increase of \$1,000,000 over the amount appropriated for 1951.

The bill includes \$15,000,000 for acquisition, construction, and improvements for the Coast Guard of which \$11,109,000 is being approved for the replacement of 12 planes that will become overage by fiscal year 1953. The remaining amounts will be available to the Coast Guard for the establishment of such aids to navigation and such other essential construction and improvements during 1952 as it believes are essential to serve the needs of the Armed Forces and maritime commerce. In view of the tremendous national defense expenditures facing the country the committee reduced the amount requested for construction and improvements one million dollars because some of the projects requested were for facilities considered to be essential only from the viewpoint of improving the comfort of personnel. No matter how desirable such facilities may be, it is believed that they can well be deferred during this period of national emergency.

Considerable time was taken during the hearings to explore the management-improvement programs within the Coast Guard, and the committee was gratified to learn that new systems of general accounting had been installed in each of the twelve district offices and that a commercial type accounting system had been installed at the Coast Guard yard for the purpose of obtaining the cost of industrial work performed at the yard. The Commandant of the Coast Guard also pointed out that the installation of strengthened systems of supply was progressing rapidly, nine supply centers in different geographic sections of the United States and its possessions being already in commission.

The Coast Guard also requested and received an allocation of the President's special fund for management improvement which was used to contract for services to make two very important surveys. One of these covered the proper classification of military and civilian jobs to improve personnel management and the other was made to improve the management and industrial activities of the Coast Guard yard.

Both of these surveys have been completed and it is expected that the changes in administrative procedures and recommended management improvements will increase the overall effectiveness and efficiency of the Coast Guard.

TITLE II—POST OFFICE DEPARTMENT

GENERAL COMMENTS

POSTAL RECEIPTS AND EXPENDITURES

The 1952 budget estimates for the Post Office Department total \$2,360,874,000 of which an estimated \$1,839,500,000 will be derived from postal revenues, leaving the deficit for 1952 estimated at \$521,374,000. However, this deficit may be greatly affected by the

following proposals on which hearings are being held: (a) the railroad's application to the Interstate Commerce Commission for a substantial increase in mail pay; (b) the Postmaster General's petition to the Interstate Commerce Commission requesting an increase in the parcel post rates; and (c) proposed legislation recommended by the President to increase postal rates on postal and post cards, newspapers and magazines, circulars and advertising matter and special services for which fees are charged.

RAILWAY MAIL PAY CASE

The railroads have applied to the Interstate Commerce Commission for an increase of 95 per cent in mail pay, and rates from the date of the petition (February 18, 1947) to December 31, 1950 have been fixed by the Commission. This order provides for a fixed payment of \$312,000,000 to all railroads in addition to the rates in effect on February 18, 1947, which will require an additional appropriation in 1951 of \$152,000,000 for "Transportation of Mails" since interim payments of \$160,000,000 have already been made. A new rate structure has also been approved by the Commission which eliminates the so-called "round trip" provision which has been the subject of criticism for many years.

Hearings are now being held on the Post Office Department's proposed rate scale to be effective on January 1, 1951, which was filed with the Interstate Commerce Commission on January 10, 1951, and which, if approved, would result in an average increase in mail revenue to the railroads of about 39 percent. As soon as this rate scale is approved, the Post Office Department will pay for the transportation of mails as commercial shippers do with their traffic, which materially benefit both the Department and the users of the postal system.

RATE INCREASES ON FOURTH CLASS MAIL

The Supplemental Appropriation Act, 1951, directed the Postmaster General to seek the consent of the Interstate Commerce Commission for rate increases on fourth class mail sufficient to make this class of mail pay its way. Hearings on the Post Office Department's request were concluded on January 26, 1951, and all parties concerned have been given until March 26, 1951, to submit briefs. It is expected that oral arguments will start about the middle of April. If the Commission issues its order before the end of June, 1951, the Postmaster General would be enabled to institute new rates on October 1, 1951. The increases recommended amount to about \$105,000,000, or about a 25 per cent increase, and would be sufficient to take care of the deficit on fourth class mail.

POSTAL RATE LEGISLATION

Legislation is again being recommended at this session of Congress to increase the postal rates to the point where the postal revenues would cover all but about \$250,000,000 of the Post Office's expenditures, of which approximately \$160,000,000 is properly chargeable to the general revenues because it represents the cost of handling official mail for all branches of the Government, the amounts paid to airlines in the form of subsidies, and certain other non-postal costs.

The proposed major increases are as follows:

1. Increase in the rate for postal and post cards from 1 cent to 2 cents.
2. Increased rates for second class mail (newspapers and magazines).
3. Increased rates for third class mail (mostly circulars and advertising matter).
4. Increase in the fees charged for special services, such as registry, insurance, C. O. D. mail and special delivery, to eliminate the present estimated deficit.
5. Increased rates for fourth class mail (parcel post). This increase is not included in the proposed legislation inasmuch as application is pending before Interstate Commerce Commission pursuant to existing law, as mentioned on previous page.

GENERAL ADMINISTRATION

Appropriation, 1951.....	\$16, 100, 000
Budget estimates, 1952.....	\$21, 224, 000
Reduction by the committee.....	1, 224, 000
Recommended in the bill for 1952.....	\$20, 000, 000

The committee has made a reduction of \$1,224,000 in the budget estimates for 1952, and is recommending an appropriation of \$20,000,000 for "General Administration" which is an increase of \$3,900,000 over the amount appropriated in 1951.

Funds for hiring 200 additional postal inspectors and 35 clerks in 1952, amounting to about \$1,000,000 have been disallowed. However, there would be no objection on the part of the committee to the employment of additional inspectors by the Department if adjustments can be made within the amount allowed in the bill to provide for their employment.

The committee has allowed the request for 5 new positions required in the Division of Rates in the Office of the Administrative Assistant to the Postmaster General, and has allowed sufficient funds for the employment on a full-year basis of 798 employees transferred from the General Accounting Office to the Bureau of Accounts in the Post Office Department.

EMPLOYEE SUGGESTION SYSTEM

The committee regrets very much the extreme reluctance of the Post Office officials to encourage postal employees to participate in the suggestion system which is being used to advantage by all Government departments and large industrial and commercial firms.

During the fiscal year 1950, the Post Office Department received only 2,017 suggestions from over 497,000 employees and adopted only 71 of them, paying out only \$610 in awards, the lowest by far among 10 major departments and agencies. While the employee suggestions in these other agencies ranged from 20 to 112 suggestions for each thousand employees, the number in the Post Office Department was only 4 for each thousand employees. The amount paid out in awards to employees ranged from \$3,165 to \$266,926 during 1950 in these other agencies and none of them has as many employees as

the Post Office Department. The committee hopes that the Postal officials will take cognizance of this deplorable situation and inject some leadership and enthusiasm into the Department's lagging employee suggestion system.

There is no good reason why the Post Office Department should not have one of the most successful employee suggestion systems in the Government and benefit from the improvements that would inevitably flow from it.

The committee is very disappointed that the Department has, up to this time, failed to make any award to Mr. John Sestak, an employee of the Chicago Post Office. Mr. Sestak has designed and constructed a mail distributing machine which has been in use over a long period of time in the Chicago Post Office. It is a very effective timesaving machine for sorting out-going mail, and although it is being used every day, with improvements on it being made continuously, the Post Office Department has not recognized Mr. Sestak's talents and initiative to the point of making him any award. The excuse the Department gives—that it cannot estimate the savings resulting from the use of this machine—is not convincing to the committee, and it is felt that the failure to do anything in this instance certainly does not encourage other employees in the Postal Service to submit ideas for improvements in postal operations. It simply is not a healthy condition, contributes little to the morale of employees, and fails utterly to stimulate their interest, industry, and imagination to say nothing of the failure of the Post Office Department to take advantage of the reduced cost of operations which would naturally and inevitably follow.

POSTAL OPERATIONS

Appropriation, 1951.....	\$1, 793, 000, 000
Budget estimates, 1952.....	1, 866, 304, 000
Reduction by the Committee.....	21, 304, 000
Recommended in the bill for 1952.....	1, 845, 000, 000

It is recommended that \$1,845,000,000 be appropriated in 1952 for Postal Operations which is a reduction of \$21,304,000 from the budget estimates but is \$52,000,000 more than the amount appropriated in 1951 not including \$14,478,824 transferred to General Services Administration. When this transfer is taken into consideration, the amount recommended by the committee is 3.7 per cent more than was available for Postal Operations this fiscal year.

The increase requested was justified mainly on the increased volume of mail being handled by the Post Office Department.

The Department estimates that the increase in the volume of mail during fiscal year 1951 over the preceding fiscal year will be about 2.76 per cent and that during 1952 the mail volume will increase 3.7 per cent over 1951. The actual and estimated mail volume and special services for these three fiscal years are as follows:

- 1950, actual—46.749 billion pieces
- 1951, estimated—48.040 billion pieces
- 1952, estimated—49.821 billion pieces

The committee has allowed \$11,579,000 for the purchase of trucks, trailers and tractors, which is the amount in the budget estimate because the committee desires to have the motor vehicle replacement

program expedited as much as possible. Inspections of motor vehicles in the field by Members of the committee have disclosed that the Post Office Department is still operating many extremely old vehicles which are being operated and maintained at what must certainly be exorbitant costs.

The committee has approved language suggested in the 1952 estimates which would place a limitation of 17,500 on the number of motor vehicles that may be owned and operated by the Department. Inquiry has revealed that the purpose of this limitation was not to curtail postal service in any way, but instead was intended to force the Department to get rid of obsolete and worn-out equipment as rapidly as possible. With this objective the committee heartily concurs.

The Post Office Department is also using heavy type vehicles to do work which could be performed more efficiently and at much less cost with lighter type vehicles. Testimony indicated that experiments were being made with lighter vehicles, but the committee believes that there has been enough experimenting and results should be produced to correct this situation. The committee will expect a complete report on the Department's progress in this area when the hearings are held on the 1953 budget estimates.

INSTALLATION OF MECHANICAL DEVICES

The committee still believes, in spite of the testimony on mechanization presented at this year's hearings, that the Post Office Department is still dragging its feet when it comes to the installation of modern mechanical equipment in its large city post offices throughout the country.

The committee's interest in improving and expediting the handling of mail in large post offices is well known to the Department, but it is taking too little heed of what the committee has said on this subject in previous reports. Again the committee wishes to restate, most emphatically this time, that the Post Office Department must take immediate steps to survey its needs for mechanical equipment and proceed without further delay with a plan which would embrace the complete installation of suitable mechanical equipment in those post offices which have a sufficient volume of mail to justify it.

Some Members of the committee have visited the Dallas, Tex., post office where there is in operation an alphabetical system of sorting incoming mail for distribution and delivery to local addresses. This system is extreme in its simplicity and is something that can be easily operated by a novice in a matter of only a few hours. New clerks can rapidly acquire maximum speed in sorting mail under this system whereas the present old fashioned sorting system which is used in most post offices requires months and even years of practice before a clerk can distribute mail at a rapid rate. The establishment of such a system in other offices throughout the country will enable the maximum use to be made of new employees at a much earlier period than would otherwise be possible.

The committee hopes that the Post Office Department will make every effort to see to it that this system is made known to post offices throughout the country in cities of sufficient size to make its use worth while.

TRANSPORTATION OF MAILS

Appropriation, 1951	\$438, 000, 000
Budget estimates, 1952	467, 539, 000
Reduction by the committee	2, 539, 000
Recommended in the bill for 1952	465, 000, 000

The committee is recommending that \$465,000,000 be appropriated for transportation of mails during 1952. This is an increase of \$27,000,000 over the amount appropriated in 1951 and a decrease of \$2,539,000 from the 1952 estimates.

This reduction of \$2,539,000 has been made by the committee because of savings that should result from the use of motor-truck transportation of short hauls. Testimony during the hearings disclosed that 15 routes in and around St. Louis could be converted to motor trucks with an estimated saving of 10 percent even after paying the cost of truck terminal space. The committee believes that the savings in mail transportation will become quite considerable as more short routes are changed over to motor trucks and that mail service will be improved at the same time.

The committee also recommends inclusion of language which will give to the Postmaster General the discretion and responsibility of determining whether or not the Department should continue to use any particular route or means of transportation after the Department has come to the conclusion that such service is not in the best interests of the Government. This provision would apply only to the transportation of domestic mail and would not involve mail which goes to or from a foreign country, nor does it affect city delivery service in any way.

In making this recommendation the committee does not intend that service should be discontinued on all routes or by any means upon which a loss occurs. It realizes that there are extenuating circumstances where mail has to be carried at what appears to be excessive rates. However, in the opinion of the committee, certain instances do exist where the Department is using means of transportation which are exceedingly more expensive than other types of transportation which would meet the requirements of the postal service and could be obtained at a much lower rate. It is this type of situation that the committee wishes to see corrected.

CLAIMS

Appropriation, 1951	\$5, 500, 000
Budget estimates, 1952	5, 807, 000
Reduction by the Committee	307, 000
Recommended in the bill for 1952	5, 500, 000

It is recommended that \$5,500,000 be appropriated in 1952 for settlement of claims by the Post Office Department. This is a reduction of \$307,000 from the budget estimates and is the same as the amount appropriated in 1951.

Most of the increase requested was for losses of domestic insured registered and C. O. D. mail based only upon the increased volume of mail, but since no additional justification was presented to support this increase it was not approved. Obligations in this appropriation for the six-months period ending on December 31, 1950, totalled \$1,975,116, which did not include payments for losses on the Christmas mail.

TITLE III—GOVERNMENT CORPORATIONS

EXPORT-IMPORT BANK OF WASHINGTON

The committee recommends \$950,000 for the administrative expenses of the bank for the fiscal year 1952, which is a reduction of \$15,000 from the budget estimates, and \$15,000 less than the amount appropriated in 1951. However, this amount is believed to be sufficient because the Bureau of the Budget has established a reserve of \$34,000 in the 1951 appropriation, and the estimated annual rate of expenditure of the bank's present staff is \$948,000. The amount authorized each year for the bank's administrative expenses is not a direct appropriation from the general fund of the Treasury but is an authorization to use Federal funds invested in the corporation for this purpose.

The bank is authorized by the Export-Import Bank Act of 1945, as amended, to make loans and guaranties not in excess of 3.5 billion dollars at any one time. At the time of the hearings, \$545,000,000 was uncommitted but the Board of Directors estimated that only \$144,600,000 of the bank's lending authority will remain uncommitted as of June 30, 1952. This is a sharp depletion of the bank's lending authority in relation to the increase in its lending operations.

In order to meet probable needs in the present critical international situation, as well as to finance strategic material developments, the bank is considering the necessity of requesting an increase of its statutory lending authority by one billion dollars.

The net profit of the bank in 1950 was \$49.1 million and is estimated at \$49.5 million in 1951 and \$51.3 million in 1952.

The bank has had an exceptionally low loss experience, and its normally acknowledged losses have amounted to only about \$250,000 on a total output of funds of over \$2.5 billion which is less than one-hundredth of one percent.

The following table gives a summary of the bank's operations for the fiscal year 1950 with the corresponding estimates for 1951 and 1952.

[Millions of dollars]

	1950	1951	1952
Loans outstanding, June 30.....	\$2, 226. 3	\$2, 378. 3	\$2, 508. 3
Uncommitted lending authority, June 30.....	713. 6	414. 6	144. 6
Disbursements of loan authorizations.....	196. 3	282. 0	270. 0
Total repayments and interest received.....	197. 2	195. 3	210. 2
Net effect on Government budget.....	49. 2	100. 6	75. 6
Administrative expenses.....	. 86	. 97	. 97
Net profit.....	49. 1	49. 5	51. 3
Earned surplus reserved for future contingencies.....	203. 1	252. 6	303. 9

LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations and legislative provisions not heretofore carried in the bill are recommended:

On page 14, beginning in line 24, under Postal Operations:

Provided, That during the current fiscal year the inventory of trucks, tractors, and trailers of the Post Office Department shall not exceed seventeen thousand five hundred such vehicles at any time.

On page 15, beginning in line 12, under Transportation of Mails:

Notwithstanding any other provision of law, no part of any funds appropriated to the Post Office Department shall hereafter be used for the transportation (within the continental limits of the United States) of mail over any route or by any means which the Postmaster General determines to be more costly than other available and equally satisfactory routes or means.

MINORITY VIEWS

It is improper procedure and it poses a possible threat to our total national interest in time of conflict to employ the use of a legislative rider to an appropriation bill in order to alter the purpose and intent of the Civil Aeronautics Act under the name of economies which are disputable. The rider is directed particularly against helicopter mail service at a time when the House Committee on Interstate and Foreign Commerce again has under consideration a bill to provide for separation of air mail pay and subsidy.

The Congress established a policy under the existing Civil Aeronautics Act which charged the Civil Aeronautics Board with the responsibility of fostering the development of civil aviation—not only to provide an adequate and efficient mail service but also further the interests of commerce and the national defense. A fact that cannot be disputed is that unless there is a certificate for mail service by the Board there is no way under law to provide Government aid to support these highly important operations.

Only one witness, in the person of the Postmaster General, gave any formal detailed testimony before our committee regarding this policy and he said, in part, "If you transfer from the Post Office Department to the Military Department the problem of promoting and advancing commercial aviation as the Post Office Department has since 1918, you would spend far more money of the taxpayers to the military service in supporting that program than you would in the postal service," and he added, "The use of the helicopter has never been better demonstrated than it has in the Korean situation."

An application from the New York metropolitan area for helicopter mail and passenger service, supported by the Port Authority of New York, is now pending before the Board and the committee has been advised informally that it will probably receive favorable consideration unless this rider is approved. Helicopters and highly trained helicopter pilots and facilities would certainly prove a Godsend to this prime target area in the event of atomic attack.

Chairman D. W. Rentzel of the Civil Aeronautics Board is authority for the statement that the commercial aviators carrying the mail and pioneering in helicopter development have been responsible for dramatic aids to the military in Korea in which the helicopter has proven invaluable not only in reconnaissance but in the rescue of wounded soldiers. He holds that current technical improvements in both the size and efficiency of new helicopters appear to make possible a very sizable commercial operation which will be largely self-supporting and will provide a reserve of helicopter aircraft and trained personnel which will be available to the military in an emergency and maintained at little or no cost to the taxpayer.

The hearings on this subject are cursory and there is no testimony from the Department of Defense. The House rejected this approach last year and it should do so again.

GORDON CANFIELD.

COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1951 AND THE ESTIMATES FOR 1952 PERMANENT
INDEFINITE APPROPRIATIONS—TREASURY DEPARTMENT

Object	Appropriations, 1951	Estimates, 1952	Increase (+) or decrease (—)
General and special funds:			
Educational exchange fund.....	\$410, 672	\$396, 179	—\$14, 493
Loans to railroads after termination of Federal control.....	453, 957	454, 000	+43
Replacement of personal property sold—Treasury Department.....	100, 000	100, 000	-----
Pershing Hall memorial fund.....	4, 978	4, 978	-----
Permanent private relief acts.....	1, 620	1, 620	-----
Interest on uninvested trust funds.....	7, 207, 905	4, 900, 705	—2, 307, 200
Refund of moneys erroneously received and covered.....	2, 000, 000	2, 000, 000	-----
Refunds and draw-backs, customs.....	16, 000, 000	16, 000, 000	-----
Contributions for annuity benefits, White House Police and Secret Service forces.....	105, 000	105, 000	-----
Interest on the public debt.....	5, 625, 000, 000	5, 800, 000, 000	+175, 000, 000
Total, general and special funds.....	5, 651, 284, 132	5, 823, 962, 482	+172, 678, 350
Trust funds (not a charge against revenue):			
Federal old-age and survivors insurance trust fund.....	3, 262, 883, 133	4, 139, 894, 000	+877, 010, 867
Unemployment trust fund.....	1, 389, 806, 046	1, 479, 748, 290	+89, 942, 244

Losses in melting gold-----	600	600	-----
Miscellaneous trust accounts-----	175,000	170,000	--5,000
Expenses, Prohibition Act, Puerto Rico and Virgin Islands-----	97,500	118,400	+20,900
Puerto Rico trust fund-----	6,200	6,200	-----
Total, trust funds-----	4,652,968,479	5,619,937,490	+966,969,011

ADMINISTRATIVE EXPENSES OF GOVERNMENT CORPORATIONS

[Limitations on amounts of corporate funds to be expended]

	Authorizations, 1951	Estimates, 1952	Recommended in bill for 1952	Bill compared with—	
				1951 authorization	1952 estimates
Export-Import Bank of Washington-----	\$965,000	\$965,000	\$950,000	--\$15,000	--\$15,000

COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1951, AMOUNTS AS REDUCED UNDER SECTION 1214
(GENERAL REDUCTION OF \$550,000,000 IN GENERAL APPROPRIATION ACT, 1951), ESTIMATES FOR 1952
AND AMOUNTS RECOMMENDED IN THE BILL FOR 1952

TITLE I.—TREASURY DEPARTMENT

Agency and item	Appropriations, 1951		Estimates, 1952	Recommended in bill for 1952	Bill compared with—	
	Specific amounts	As reduced under sec. 1214			1951 as reduced under sec. 1214	1952 estimates
OFFICE OF THE SECRETARY OF THE TREASURY						
Salaries and expenses			\$2, 684, 000	\$2, 648, 000	+\$2, 648, 000	—\$36, 000
Salaries	\$940, 000	\$935, 000	(¹)		—935, 000	
Damage claims	30, 000	30, 000	30, 000	25, 000	—5, 000	—5, 000
Health service program	80, 000	80, 000	(¹)		—80, 000	
Total, Office of the Secretary	1, 050, 000	1, 045, 000	2, 714, 000	2, 673, 000	+1, 628, 000	—41, 000
OFFICE OF GENERAL COUNSEL						
Salaries	340, 000	339, 000	(¹)		—339, 000	
OFFICE OF ADMINISTRATIVE SERVICES						
Salaries	1, 185, 000	1, 185, 000	(¹)		—1, 185, 000	
Miscellaneous expenses	308, 500	308, 500	(¹)		—308, 500	
Total, Office of Administrative Services	1, 493, 500	1, 493, 500			—1, 493, 500	

BUREAU OF ACCOUNTS					
Salaries and expenses-----	2, 100, 000	2, 090, 000	2, 095, 000	2, 050, 000	-40, 000
Disbursement, division of, salaries and ex- penses-----	11, 050, 000	11, 050, 000	12, 000, 000	11, 500, 000	+450, 000
Relief of the indigent, Alaska-----	4, 000	4, 000	-----	-----	-4, 000
Government losses in shipment-----	100, 000	100, 000	-----	-----	-100, 000
Total, Bureau of Accounts-----	13, 254, 000	13, 244, 000	14, 095, 000	13, 550, 000	+306, 000
BUREAU OF THE PUBLIC DEBT					
Salaries and expenses-----	50, 505, 000	50, 250, 000	52, 900, 000	50, 000, 000	-250, 000
OFFICE OF THE TREASURER					
Salaries and expenses-----	5, 200, 000	5, 175, 000	21, 100, 000	20, 500, 000	+15, 325, 000
Contingent expenses, public moneys-----	475, 000	475, 000	² 500, 000	475, 000	-----
Total, office of the Treasurer-----	5, 675, 000	5, 650, 000	21, 600, 000	20, 975, 000	+15, 325, 000
BUREAU OF CUSTOMS					
Salaries and expenses-----	36, 825, 000	36, 825, 000	38, 300, 000	37, 500, 000	+675, 000
					-800, 000
					-45, 000
					-500, 000

					-545, 000

					-2, 900, 000

					-600, 000
					-25, 000
					-625, 000

					-800, 000

¹ Consolidated under "Salaries and expenses, Office of the Secretary."
² Budget proposed permanent indefinite appropriation estimated at \$500,000 for fiscal year 1952.

Comparative statement of appropriations for 1951, amounts as reduced under section 1214 (general reduction of \$550,000,000 in General Appropriation Act, 1951), estimates for 1952 and amounts recommended in the bill for 1952—Continued

TITLE I.—TREASURY DEPARTMENT—Continued

Agency and item	Appropriations, 1951		Estimates, 1952	Recommended in bill for 1952	Bill compared with—	
	Specific amounts	As reduced under sec. 1214			1951 as reduced under sec. 1214	1952 estimates
BUREAU OF INTERNAL REVENUE						
Salaries and expenses-----	\$248, 047, 500	\$246, 820, 000	\$255, 500, 000	\$252, 000, 000	+\$5, 180, 000	—\$3, 500, 000
Additional income tax on railroads in Alaska--	8, 000	8, 000	8, 000	8, 000	-----	-----
Total, Bureau of Internal Revenue----	248, 055, 500	246, 828, 000	255, 508, 000	252, 008, 000	+5, 180, 000	—3, 500, 000
BUREAU OF NARCOTICS						
Salaries and expenses-----	1, 850, 000	1, 845, 000	2, 100, 000	2, 025, 000	+180, 000	—75, 000
BUREAU OF ENGRAVING AND PRINTING						
Working capital-----	-----	-----	3, 800, 000	3, 000, 000	+3, 000, 000	—800, 000
Salaries and expenses-----	18, 835, 000	18, 635, 000	-----	-----	—18, 635, 000	-----
Distinctive paper for United States currency and securities-----	2, 420, 000	2, 420, 000	-----	-----	—2, 420, 000	-----
Total, Bureau of Engraving and Printing-----	21, 255, 000	21, 055, 000	3, 800, 000	3, 000, 000	—18, 055, 000	—800, 000

SECRET SERVICE DIVISION					
Salaries and expenses-----	2, 308, 700	2, 308, 700	2, 600, 000	2, 475, 000	+166, 300
Salaries and expenses, White House Police----	522, 000	522, 000	647, 000	647, 000	+125, 000
Salaries and expenses, guard force-----	700, 000	698, 000	450, 000	400, 000	-298, 000
Total, Secret Service Division-----	3, 530, 700	3, 528, 700	3, 697, 000	3, 522, 000	-6, 700
BUREAU OF THE MINT					
Salaries and expenses-----	3, 800, 000	3, 800, 000	3 5, 190, 000	4, 500, 000	+700, 000
COAST GUARD					
Operating expenses-----	154, 600, 000	154, 600, 000	162, 700, 000	162, 700, 000	+8, 100, 000
Acquisition, construction, and improvements-	24, 900, 000	24, 900, 000	16, 000, 000	15, 000, 000	-9, 900, 000
Retired pay-----	15, 575, 000	15, 575, 000	16, 647, 000	16, 647, 000	+1, 072, 000
Reserve training-----	(⁴)	(⁴)	2, 000, 000	2, 000, 000	+2, 000, 000
Total, Coast Guard-----	195, 075, 000	195, 075, 000	197, 347, 000	196, 347, 000	+1, 272, 000
Total, Treasury Department, title I, regular annual appropriations-----	582, 708, 700	580, 978, 200	597, 251, 000	586, 100, 000	+5, 121, 800
					-11, 151, 000

³ Includes \$1,200,000 supplemental estimate in H. Doc. 66.⁴ In 1951, \$1,000,000 was included in "Operating expenses, Coast Guard."

Comparative statement of appropriations for 1951, amounts as reduced under section 1214 (general reduction of \$550,000,000 in General Appropriation Act, 1951), estimates for 1952 and amounts recommended in the bill for 1952—Continued

TITLE II.—POST OFFICE DEPARTMENT

Agency and item	Appropriations, 1951		Estimates, 1952	Recommended in bill for 1952	Bill compared with—	
	Specific amounts	As reduced under sec. 1214			1951 as reduced under sec. 1214	1952 estimates
General administration-----	\$16, 100, 000	\$16, 100, 000	\$21, 224, 000	\$20, 000, 000	+\$3, 900, 000	—\$1, 224, 000
Postal operations-----	1,793,000,000	1,793,000,000	1,866,304,000	1,845,000,000	+52, 000, 000	—21, 304, 000
Transportation of mails-----	438, 000, 000	438, 000, 000	467, 539, 000	465, 000, 000	+27, 000, 000	—2, 539, 000
Claims-----	5, 500, 000	5, 500, 000	5, 807, 000	5, 500, 000	-----	—307, 000
Total, Post Office-----	2,252,600,000	2,252,600,000	2,360,874,000	2,335,500,000	+82, 900, 000	—25, 374, 000
Grand total, titles I and II, Treasury and Post Office Departments-----	2,835,308,700	2,833,578,200	2,958,125,000	2,921,600,000	+88, 021, 800	—36, 525, 000

○

Union Calendar No. 58

82^d CONGRESS
1ST SESSION

H. R. 3282

[Report No. 272]

IN THE HOUSE OF REPRESENTATIVES

MARCH 16, 1951

Mr. GARY, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

Making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank of Washington for the fiscal year ending June 30, 1952, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 TITLE I—TREASURY DEPARTMENT

4 That the following sums are appropriated, out of any money
5 in the Treasury not otherwise appropriated, for the Treasury
6 Department for the fiscal year ending June 30, 1952,
7 namely:

1 OFFICE OF THE SECRETARY

2 SALARIES AND EXPENSES

3 For necessary expenses in the Office of the Secretary,
4 including the bookbindery; the operation and maintenance of
5 the Treasury Building and Annex thereof; and the purchase
6 of uniforms for elevator operators; \$2,648,000.

7 DAMAGE CLAIMS

8 For payment of claims (except those under the Bureau
9 of Engraving and Printing) pursuant to law (28 U. S. C.
10 2672), \$25,000.

11 BUREAU OF ACCOUNTS

12 SALARIES AND EXPENSES

13 For necessary expenses including contract stenographic
14 reporting services, \$2,050,000: *Provided*, That Federal
15 Reserve banks and branches may be reimbursed for neces-
16 sary expenses incident to the deposit of withheld taxes in
17 Government depositories.

18 SALARIES AND EXPENSES, DIVISION OF DISBURSEMENT

19 For necessary expenses of the Division of Disbursement,
20 \$11,500,000.

21 BUREAU OF THE PUBLIC DEBT

22 ADMINISTERING THE PUBLIC DEBT

23 For necessary expenses connected with any public-debt
24 operations authorized by the Second Liberty -Bond Act, as

1 amended (31 U. S. C. 760-762), and with the administra-
2 tion of any public debt or currency issues of the United
3 States with which the Secretary of the Treasury is charged,
4 \$50,000,000, to be expended as the Secretary of the Treas-
5 ury may direct, and the Secretary is authorized to accept
6 services without compensation: *Provided*, That Federal
7 Reserve banks and branches may be reimbursed for
8 expenditures as fiscal agents of the United States on
9 account of public-debt transactions for the account of the
10 Secretary of the Treasury, and advances to the Postmaster
11 General may be made in accordance with the provisions of
12 section 22 (e) of the Second Liberty Bond Act, as amended
13 (31 U. S. C. 757c (e)): *Provided further*, That the in-
14 definite appropriation provided by section 10 of said Act,
15 as amended, shall not be available for obligation during the
16 current fiscal year.

17 OFFICE OF THE TREASURER

18 SALARIES AND EXPENSES

19 For necessary expenses of the Office of the Treasurer,
20 \$20,500,000.

21 CONTINGENT EXPENSES, PUBLIC MONEYS

22 For the collection, safekeeping, transfer, and disburse-
23 ment of the public money and securities of the United
24 States, \$475,000.

1 BUREAU OF CUSTOMS

2 SALARIES AND EXPENSES

3 For expenses necessary for collecting the revenue from
4 customs, enforcement of navigation laws under section 102,
5 Reorganization Plan Numbered III of 1946, and of other
6 laws enforced by the Bureau of Customs, and the detection
7 and prevention of frauds, including not to exceed \$100,000
8 for the securing of information and evidence; transportation
9 and transfer of customs receipts from points where there are
10 no Government depositories; examination of estimates of
11 appropriations in the field; expenses of attendance at meet-
12 ings of organizations concerned with the purposes of this
13 appropriation; purchase of one hundred passenger motor
14 vehicles for replacement only; expenses of seizure, custody,
15 and disposal of property; arms and ammunition; and not to
16 exceed \$1,000,000 for personal services in the District of
17 Columbia exclusive of ten persons from the field force
18 authorized to be detailed under law (19 U. S. C. 1525);
19 \$37,500,000.

20 BUREAU OF INTERNAL REVENUE

21 SALARIES AND EXPENSES

22 For necessary expenses in assessment and collection of
23 internal-revenue taxes; administration of the internal-revenue
24 laws; discharge of functions imposed upon the Commissioner
25 of Internal Revenue by or pursuant to other laws; investiga-

1 tions concerning the enrollment or disbarment of practitioners
2 before the Treasury Department in internal-revenue matters;
3 and acquisition, operation, maintenance, and repair of prop-
4 erty under title III of the Liquor Law Repeal and Enforce-
5 ment Act (40 U. S. C. 304f-m), including expenses, when
6 specifically authorized by the Commissioner, of attendance
7 at meetings of organizations concerned with internal-revenue
8 matters; purchase (not to exceed three hundred for replace-
9 ment only) and hire of passenger motor vehicles; exami-
10 nation of estimates of appropriations in the field; services as
11 authorized by section 15 of the Act of August 2, 1946
12 (5 U. S. C. 55a), and of expert witnesses at such rates as
13 may be determined by the Commissioner of Internal Rev-
14 enue; expenses of seizure, custody, and disposal of property;
15 purchase of chemical analyses and expenses of testimony
16 thereon; ammunition; securing of information and evidence;
17 and not to exceed \$500,000 for detecting and bringing to
18 trial persons guilty of violating the internal-revenue laws or
19 conniving at the same, as authorized by law (26 U. S. C.
20 3792); \$252,000,000: *Provided*, That the amount for
21 personal services in the District of Columbia shall not exceed
22 \$17,700,000.

23 ADDITIONAL INCOME TAX ON RAILROADS IN ALASKA

24 For the payment to the Treasurer of Alaska of an
25 amount equal to the tax of 1 per centum collected on the

1 gross annual income of all railroad corporations doing busi-
2 ness in Alaska, on business done in Alaska, which tax is in
3 addition to the normal income tax collected from such cor-
4 porations on net income, the amount of such additional tax
5 to be applicable to general Territorial purposes, \$8,000.

6 BUREAU OF NARCOTICS

7 SALARIES AND EXPENSES

8 For expenses necessary to enforce sections 2550-2565;
9 2567-2571; 2590-2603; 3220-3228; 3230-3238 of the In-
10 ternal Revenue Code; the Narcotic Drugs Import and Export
11 Act, as amended (21 U. S. C. 171-184); the Act of June
12 14, 1930 (5 U. S. C. 282-282c and 21 U. S. C. 197-198)
13 and the Opium Poppy Control Act of 1942 (21 U. S. C.
14 188-188n), including services as authorized by section
15 15 of the Act of August 2, 1946 (5 U. S. C. 55a);
16 purchase of chemical analyses and testimony thereon; ex-
17 penses of seizure, custody, and disposal of property; hire of
18 passenger motor vehicles; arms and ammunition; not to
19 exceed \$10,000 for the collection and dissemination of in-
20 formation and appeal for law observance and law enforce-
21 ment, including cost of printing; securing of information
22 and evidence; and not to exceed \$10,000 for services or

1 information looking toward the apprehension of narcotic law
2 violators who are fugitives from justice; \$2,025,000.

3 BUREAU OF ENGRAVING AND PRINTING

4 For working capital for the Bureau of Engraving and
5 Printing Fund established by the Act of August 4, 1950
6 (Public Law 656), \$3,000,000: *Provided*, That hereafter,
7 in order to foster competition in the manufacture of distinc-
8 tive paper for United States currency and securities, the
9 Secretary of the Treasury is authorized, in his discretion, to
10 split the award for such paper between the two bidders whose
11 prices per pound are the lowest received after advertisement.

12 SECRET SERVICE DIVISION

13 SALARIES AND EXPENSES

14 For expenses necessary in detecting, arresting, and deliv-
15 ering into other custody dealers and pretended dealers in
16 counterfeit money, persons engaged in counterfeiting, forging,
17 and altering United States notes, bonds, national bank notes,
18 Federal Reserve notes, Federal Reserve bank notes, and
19 other obligations and securities of the United States and of
20 foreign governments (including endorsements thereon and
21 assignments thereof), as well as the coins of the United
22 States and of foreign governments, and persons committing

1 other crimes against the laws of the United States relating
2 to the Treasury Department and the several branches of
3 the public service under its control; for the protection of
4 the person of the President, the members of his immediate
5 family, the Vice President, and of the person chosen to be
6 President of the United States; purchase (not to exceed
7 thirty-five for replacement only) and hire of passenger
8 motor vehicles; arms and ammunition; and not to exceed
9 \$20,000, with the approval of the Chief of the Secret Service,
10 for services or information looking toward the apprehension
11 of criminals; \$2,475,000.

12 SALARIES AND EXPENSES, WHITE HOUSE POLICE

13 For necessary expenses, including uniforms and equip-
14 ment, and arms and ammunition, purchases to be made in
15 such manner as the President may determine, \$647,000:
16 *Provided*, That this appropriation shall be available for the
17 employment of additional personnel without regard for the
18 limitation contained in section 2 of the Act of August 15,
19 1950 (Public Law 693).

20 SALARIES AND EXPENSES, GUARD FORCE

21 For necessary expenses of the guard force for Treasury
22 Department buildings in the District of Columbia, and
23 elsewhere, including purchase, repair, and cleaning of uni-
24 forms; and arms and ammunition; \$400,000: *Provided*, That

1 funds may be advanced or reimbursed to this appropriation
2 from the Bureau of Engraving and Printing to cover service
3 rendered such Bureau: *Provided further*, That the Secretary
4 of the Treasury may detail two agents of the Secret Service
5 to supervise such force.

6 BUREAU OF THE MINT

7 SALARIES AND EXPENSES

8 For necessary expenses at the mints at Philadelphia,
9 Pennsylvania, San Francisco, California, and Denver, Col-
10 orado; the assay offices at New York, New York, and
11 Seattle, Washington; the bullion depositories at Fort Knox,
12 Kentucky, and West Point, New York; and the Office of
13 the Director of the Mint, and for carrying out the provisions
14 of the Gold Reserve Act of 1934 and the Silver Purchase
15 Act of 1934, including arms and ammunition, purchase and
16 maintenance of uniforms and accessories for guards, purchase
17 of one passenger motor vehicle (for replacement only), cases
18 and enameling for medals manufactured, loss on sale of
19 sweeps arising from the treatment of bullion and the manu-
20 facture of coins, not to exceed \$1,000 for the expenses of
21 the annual assay commission, and not to exceed \$1,000
22 for acquisition, at the dollar face amount or otherwise, of
23 specimen and rare coins, including United States and foreign

1 gold coins and pieces of gold used as, or in lieu of, money,
2 and ores for addition to the Government's collection;
3 \$4,500,000.

4 COAST GUARD

5 OPERATING EXPENSES

6 For expenses necessary for the operation and mainte-
7 nance of the Coast Guard, not otherwise provided for,
8 including pay and allowances, as authorized by law, for
9 commissioned officers, cadets, warrant officers, and enlisted
10 personnel, on active duty; services as authorized by section
11 15 of the Act of August 2, 1946 (5 U. S. C. 55a); pur-
12 chase of not to exceed thirty-one passenger motor vehicles
13 for replacement only; maintenance, operation, and repair
14 of aircraft; not to exceed \$280,000 for recreation, amuse-
15 ment, comfort, and contentment of enlisted personnel of
16 the Coast Guard, to be expended pursuant to regulations
17 prescribed by the Secretary; and examination of estimates
18 of appropriations in the field; \$162,700,000: *Provided*, That
19 the number of aircraft on hand at any one time shall not
20 exceed one hundred and thirteen exclusive of planes and parts
21 stored to meet future attrition: *Provided further*, That
22 no part of this appropriation shall be used to pay any en-
23 listed man of the Coast Guard while detailed for duty at
24 Coast Guard headquarters if such detail increases above
25 fifty-five the total number of enlisted men so detailed to

1 duty at such time: *Provided further*, That (a) the unob-
2 ligated balance of appropriation to the Coast Guard for the
3 fiscal year 1951 for "Operating expenses" shall be trans-
4 ferred on July 1, 1951, to the account established by the
5 Surplus Fund-Certified Claims Act of 1949 for payment of
6 certified claims; (b) amounts equal to the unliquidated ob-
7 ligations on July 1, 1951, against the appropriation "Operat-
8 ing expenses", fiscal year 1951, and the appropriations to
9 the Coast Guard for the fiscal year 1950 which were merged
10 therewith pursuant to the Treasury Department Appropria-
11 tion Act, 1951, shall be transferred to and merged with this
12 appropriation, and such merged appropriation shall be avail-
13 able as one fund, except for accounting purposes of the Coast
14 Guard, for the payment of obligations properly incurred
15 against such prior year appropriations and against this ap-
16 propriation, but on July 1, 1952, there shall be transferred
17 from such merged appropriation to the appropriation for
18 payment of certified claims (1) any remaining unexpended
19 balance of the 1950 appropriations so transferred, and (2)
20 any remaining unexpended balance of the 1951 appropria-
21 tion so transferred which is in excess of the obligations then
22 remaining unliquidated against such appropriation.

23 ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

24 For establishing and improving aids to navigation; the
25 purchase or construction of additional and replacement

1 vessels and their equipment; the purchase of aircraft and
2 their equipment; the construction, rebuilding, or extension
3 of shore facilities, including the acquisition of sites and im-
4 provements thereon when specifically approved by the
5 Secretary; and for expenditures directly relating thereto,
6 including personal services; \$15,000,000, to remain avail-
7 able until expended.

8

RETIRED PAY

9 For retired pay for commissioned officers, warrant
10 officers, and enlisted personnel; for certain members of the
11 former Life Saving Service authorized by law (14 U. S. C.
12 431b); and for certain officers and employees entitled
13 thereto by virtue of former employment in the Lighthouse
14 Service engaged in the field service or on vessels of the
15 Coast Guard (33 U. S. C. 763, 765); including the payment
16 of obligations therefor incurred during prior fiscal years;
17 \$16,647,000.

18

RESERVE TRAINING

19 For all necessary expenses for the Coast Guard Reserve,
20 as authorized by law (14 U. S. C. 751-762; 37 U. S. C.
21 231-319), including expenses for regular personnel, or re-
22 serve personnel while on active duty, engaged primarily in
23 administration of the reserve program; purchase of not to
24 exceed eleven passenger motor vehicles; and the maintenance,
25 operation, and repair of aircraft; \$2,000,000.

1 SEC. 102. This title may be cited as the “Treasury De-
2 partment Appropriation Act, 1952”.

3 TITLE II—POST OFFICE DEPARTMENT

4 For administration and operation of the Post Office
5 Department and the postal service, there is hereby appro-
6 priated the aggregate amount of postal revenues for the
7 fiscal year ending June 30, 1952, as authorized by law
8 (5 U. S. C. 380; 39 U. S. C. 786), together with an
9 amount from any money in the Treasury not otherwise
10 appropriated, equal to the difference between such revenues
11 and the total of the appropriations hereinafter specified and
12 the sum needed may be advanced to the Post Office Depart-
13 ment upon requisition of the Postmaster General, for the
14 following purposes, namely:

15 GENERAL ADMINISTRATION

16 For expenses necessary for general administration of the
17 postal service, operation of the inspection service, and the
18 conduct of a research and development program, including
19 services as authorized by section 15 of the Act of
20 August 2, 1946 (5 U. S. C. 55a); \$250,000 to be
21 available exclusively for procurement by contract of things
22 and services related to design, development, and construction
23 of equipment used in postal operations, and for contracts for
24 management studies; rewards for information and services
25 concerning violations of postal laws and regulations, current

1 and prior fiscal years, in accordance with regulations of the
2 Postmaster General in effect at the time the services are
3 rendered or information furnished; purchase of one passenger
4 motor vehicle (for replacement only) at not to exceed
5 \$4,500; and expenses of delegates designated by the Post-
6 master General to attend meetings and conventions for the
7 purpose of making postal arrangements with foreign govern-
8 ments pursuant to law; \$20,000,000: *Provided*, That ex-
9 penses of delegates provided for herein, and not to exceed
10 \$20,000 for rewards as provided for herein, shall be paid in
11 the discretion of the Postmaster General and accounted for
12 solely on his certificate.

13 POSTAL OPERATIONS

14 For expenses necessary for postal operations, not other-
15 wise provided for, and for other activities conducted by the
16 Post Office Department pursuant to law, including \$500,000
17 to be available exclusively for manufacture and procurement
18 of improved devices for postal operations and other activities;
19 \$11,579,000 to be available exclusively for the purchase of
20 trucks, tractors, and trailers; and storage and repair of
21 vehicles owned by, or under control of, units of the National
22 Guard and departments and agencies of the Federal Govern-
23 ment where repairs are made necessary because of utilization
24 of such vehicles in the postal service; \$1,845,000,000: *Pro-*
25 *vided*, That during the current fiscal year the inventory of

1 trucks, tractors, and trailers of the Post Office Department
2 shall not exceed seventeen thousand five hundred such
3 vehicles at any time.

4 TRANSPORTATION OF MAILS

5 For payments, current and prior fiscal years, for trans-
6 portation of domestic and foreign mails by air, land, and
7 water transportation facilities, settlements with foreign
8 countries for handling of mail; and for expenses, exclusive of
9 personal services, necessary for operation of Government-
10 owned highway post office transportation service;
11 \$465,000,000.

12 Notwithstanding any other provision of law, no part of
13 any funds appropriated to the Post Office Department shall
14 hereafter be used for the transportation (within the con-
15 tinental limits of the United States) of mail over any route or
16 by any means which the Postmaster General determines to
17 be more costly than other available and equally satisfac-
18 tory routes or means.

19 CLAIMS

20 For settlement of claims, pursuant to law, current and
21 prior fiscal years, for damages (28 U. S. C. 2672; 31
22 U. S. C. 224c) ; losses resulting from unavoidable casualty
23 (39 U. S. C. 49) ; loss of or damage to mail, and failure to
24 remit collect-on-delivery charges (5 U. S. C. 372; 39
25 U. S. C. 244, 245a, 245b, 245d, 381, 382, 387) ; and

1 domestic money orders more than one year old (31 U. S. C.
2 725k) ; \$5,500,000.

3 GENERAL PROVISIONS

4 SEC. 202. Appropriations made in this title for general
5 administration and for postal operations shall be available
6 for examination of estimates of appropriations in the field.

7 SEC. 203. Appropriations made in this title, except
8 those for payment of claims, shall be available for expendi-
9 tures in connection with accident prevention.

10 SEC. 204. Appropriations made in this title available
11 for expenses of travel shall be available, under regulations
12 prescribed by the Postmaster General, for expenses of at-
13 tendance at meetings of technical, scientific, professional, or
14 other similar organizations concerned with the function or
15 activity for which the appropriation concerned is made.

16 SEC. 205. The Postmaster General may authorize the
17 sale of post route and rural delivery maps, opinions of the
18 Solicitor, and transcripts of hearings before trial examiners
19 at such rates as he determines to be fair and reasonable.

20 SEC. 206. This title may be cited as the "Post Office
21 Department Appropriation Act, 1952".

22 TITLE III—GOVERNMENT CORPORATIONS

23 The following corporation is hereby authorized to make
24 such expenditures, within the limits of funds and borrowing
25 authority available to such corporation, and in accord with

1 law, and to make such contracts and commitments without
2 regard to fiscal year limitations as provided by section 104
3 of the Government Corporation Control Act, as amended, as
4 may be necessary in carrying out the programs set forth in
5 the Budget for the fiscal year 1952 for such corporation,
6 except as hereinafter provided:

7 EXPORT-IMPORT BANK OF WASHINGTON

8 Not to exceed \$950,000 (to be on an accrual basis)
9 of the funds of the Export-Import Bank of Washington shall
10 be available during the current fiscal year for all administra-
11 tive expenses of the bank, including not to exceed \$25,000
12 for temporary services, as authorized by section 15 of the
13 Act of August 2, 1946 (5 U. S. C. 55a): *Provided*, That
14 necessary expenses (including special services performed
15 on a contract or fee basis, but not including other per-
16 sonal services) in connection with the acquisition, opera-
17 tion, maintenance, improvement, or disposition of any real
18 or personal property belonging to the bank or in which
19 it has an interest including expenses of collections of pledged
20 collateral, or the investigation or appraisal of any property
21 in respect to which an application for a loan has been made,
22 shall be considered as nonadministrative expenses for the
23 purposes hereof.

24 SEC. 302. This title may be cited as the "Export-
25 Import Bank of Washington Appropriation Act, 1952".

TITLE IV—GENERAL PROVISIONS

1 SEC. 401. No part of any appropriation contained in
2 this Act, or of the funds available for expenditure by any cor-
3 poration included in this Act, shall be used to pay the salary
4 or wages of any person who engages in a strike against the
5 Government of the United States or who is a member of an
6 organization of Government employees that asserts the right
7 to strike against the Government of the United States, or who
8 advocates, or is a member of an organization that advocates,
9 the overthrow of the Government of the United States by
10 force or violence: *Provided*, That for the purposes hereof an
11 affidavit shall be considered prima facie evidence that the
12 person making the affidavit has not contrary to the provisions
13 of this section engaged in a strike against the Government of
14 the United States, is not a member of an organization of
15 Government employees that asserts the right to strike against
16 the Government of the United States, or that such person
17 does not advocate, and is not a member of an organization
18 that advocates, the overthrow of the Government of the
19 United States by force or violence: *Provided further*, That
20 any person who engages in a strike against the Government
21 of the United States or who is a member of an organization
22 of Government employees that asserts the right to strike
23 against the Government of the United States, or who advo-
24 cates, or who is a member of an organization that advocates,

1 the overthrow of the Government of the United States by
2 force or violence and accepts employment the salary or
3 wages for which are paid from any appropriation or fund
4 contained in this Act shall be guilty of a felony and, upon
5 conviction, shall be fined not more than \$1,000 or imprisoned
6 for not more than one year, or both: *Provided further*, That
7 the above penalty clause shall be in addition to, and not in
8 substitution for, any other provisions of existing law.

9 SEC. 402. This Act may be cited as the "Treasury and
10 Post Office Departments Appropriation Act, 1952".

INDEX

TREASURY DEPARTMENT—TITLE I

	Page
Accounts, Bureau of-----	2
Coast Guard-----	10
Customs, Bureau of-----	4
Divisions:	
Disbursement-----	2
Secret Service-----	7
Engraving and Printing, Bureau of-----	7
Internal Revenue, Bureau of-----	4
Mint, Bureau of the-----	9
Narcotics, Bureau of-----	6
Public Debt, Bureau of-----	2
Secretary's office-----	2
Secret Service Division-----	7
Treasurer's office-----	3

POST OFFICE DEPARTMENT—TITLE II

Claims-----	15
General administration-----	13
Postal operations-----	14
Transportation of mails-----	15

EXPORT-IMPORT BANK—TITLE III

Administrative expenses-----	17
------------------------------	----

82^d CONGRESS
1ST SESSION

H. R. 3282

[Report No. 272]

A BILL

Making appropriations for the Treasury and
Post Office Departments and funds available
for the Export-Import Bank of Washington
for the fiscal year ending June 30, 1952, and
for other purposes.

By Mr. GARY

MARCH 16, 1951

Committed to the Committee of the Whole House on
the State of the Union and ordered to be printed

upon the payment of the required visa fee and head tax. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the number of displaced persons who shall be granted the status of permanent residence pursuant to section 4 of the Displaced Persons Act, as amended (62 Stat. 1011; 64 Stat. 219; 50 U. S. C. App. 1953).

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LUCIA ADAMOS

The Clerk called the bill (H. R. 2357) for the relief of Lucia Adamos.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, solely for the purpose of section 4 (a) and section 9 of the Immigration Act of 1924, as amended, and notwithstanding the provisions of section 13 (c) of the Immigration Act of 1924, as amended, Lucia Adamos, a minor Filipino child, shall be considered the alien natural-born daughter of Apolonio and Anna A. Adamos, citizens of the United States.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That, for the purposes of sections 4 (a) and 9 of the Immigration Act of 1924, as amended, the minor child, Lucia Adamos, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Apolonio Adamos, citizens of the United States."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONCETTA SANTAGATI GIORDANO

The Clerk called the bill (H. R. 2450) for the relief of Concetta Santagati Giordano.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provision of the eleventh category of section 3 of the Immigration Act of 1917, as amended, Concetta Santagati Giordano, of Santo Stefano, Messina, Italy, Italian wife of Joseph Giordano, a citizen of the United States, may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of the immigration laws.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELEANOR MANSOUR

The Clerk called the bill (H. R. 2552) for the relief of Eleanor Mansour.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Eleanor Mansour shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon the payment of the required visa fee and head tax. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number

from the number of displaced persons who shall be granted the status of permanent residence pursuant to section 4 of the Displaced Persons Act, as amended (62 Stat. 1011; 64 Stat. 219; 50 U. S. C. App. 1953).

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Woodruff, its enrolling clerk, announced that the Senate insists upon its amendment to the bill (H. R. 2615) entitled "An act to amend the Agricultural Adjustment Act of 1938, as amended," disagreed to by the House, and disagrees to the conference asked by the House on the disagreeing votes of the two Houses thereon.

TREASURY AND POST OFFICE DEPARTMENT AND EXPORT-IMPORT BANK OF WASHINGTON APPROPRIATION BILL, 1952

Mr. MITCHELL. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 170 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That during the consideration of the bill (H. R. 3282) making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank of Washington for the fiscal year ending June 30, 1952, and for other purposes, all points of order against said bill or any provision contained in said bill are hereby waived.

The resolution was agreed to.

Mr. GARY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3282) making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank of Washington for the fiscal year ending June 30, 1952, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be fixed at not to exceed 3 hours, to be equally divided and controlled by the gentleman from New Jersey [Mr. CANFIELD] and myself.

Mr. CANFIELD. Reserving the right to object, Mr. Speaker, in the past we have never used more than 2 hours in general debate on this bill, and I doubt very much that we will go the full 3 hours today. However, the arrangement is agreeable to me for the time being. It may be that we can close general debate earlier.

Mr. GARY. I hope we can close it in much less than 3 hours. I wanted to set an over-all limit, however, that would certainly take care of anybody who wanted to speak. This is one of the first appropriation bills to come before the House, and I think the Members should have an opportunity to speak on it.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 3282, with Mr. SMITH of Virginia in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. GARY. Mr. Chairman, I yield myself 35 minutes.

Mr. Chairman, before discussing the various items of H. R. 3282, the bill making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank of Washington for the fiscal year ending June 30, 1952, I wish to pay my respects to the members of my subcommittee who have labored so faithfully with me in perfecting the bill. Our committee has always prided itself on the unanimity of its actions, and I am happy to report that with one minor exception, which I shall discuss later, the committee is today unanimous in its recommendations.

The ranking minority member of the subcommittee the gentleman from New Jersey [Mr. CANFIELD] and I have served together on the committee for the past 5 years. During the Eightieth Congress he served as the chairman and I as the ranking minority member. Since then our positions have been reversed, but there has always existed a friendly relationship between us, and a spirit of cooperation and unity has characterized the work of the entire committee.

The gentleman from New Mexico [Mr. FERNANDEZ] and the gentleman from Louisiana [Mr. PASSMAN], who served so ably last session, again made outstanding contributions to the work of the committee this year. In addition, we welcome three new members: Mr. SIEMINSKI, of New Jersey; Mr. WILSON, of Indiana; and Mr. JAMES, of Pennsylvania.

Our committee has been very fortunate in having as its executive secretary Mr. Kenneth Sprankle, who is one of the most able members of the Appropriations Committee staff. In fact Mr. Sprankle is so efficient that his services are being used more and more each year as an assistant to Mr. Harvey, the clerk of the full committee, and we have heard with deep regret that after this year our subcommittee will probably lose the benefit of his services altogether. We, therefore, had Mr. Bert Heinmiller working with the committee this year as an understudy to Mr. Sprankle. Mr. Heinmiller fully demonstrated his abilities and gives promise of being a very acceptable successor to Mr. Sprankle.

RECONSTRUCTION FINANCE CORPORATION

In addition to the Treasury and Post Office Departments and the Export-Import Bank of Washington, this bill usually contains authorization for the administrative expenditures of the Reconstruction Finance Corporation. The President has submitted to the Congress a plan to reorganize the RFC, and there are also pending several bills which have been introduced to liquidate the corporation. Our committee, therefore, decided to defer action on RFC expenditures until the Congress determines what disposition shall be made of the agency.

PERMANENT APPROPRIATIONS AND TRUST FUNDS

Included in this bill are certain permanent appropriations and trust fund expenditures totaling approximately \$11,500,000,000 which are administered by

the Treasury Department, but are not subject to revision by our committee. The largest permanent appropriation is interest on the public debt, which in 1952 will amount to \$5,800,000,000. The principal items of trust fund expenditures are Federal Old Age and Survivors Insurance payments, which will aggregate over \$4,000,000,000, and Unemployment Compensation payments which will aggregate approximately \$1,500,000,000.

APPROPRIATIONS AND ESTIMATES

The direct annual appropriations recommended in this bill for the Treasury and Post Office Departments for fiscal year 1952 aggregate \$2,921,600,000, which is \$36,525,000 less than budget estimates. In addition the bill includes authorization for the Export-Import Bank of Washington to use \$950,000 of its corporate funds for administrative expenses, which is a reduction of \$15,000 of its budget estimates.

TREASURY DEPARTMENT

The budget estimated the administrative expenditures of the Treasury Department for the fiscal year 1952 at \$597,251,000. These requests were slashed \$11,151,000. The sum of \$586,100,000 is, therefore, recommended in the bill which you have before you.

BUREAU OF INTERNAL REVENUE

Nearly one-half of the total Treasury appropriations are allocated to the Bureau of Internal Revenue. This Bureau, which is charged with the duty of collecting the Federal revenue, is one of the most important cogs in the entire governmental machinery in these days of mounting taxes. The Federal tax burden is so enormous that unless it is properly and equitably administered it will become unbearable. Every citizen, therefore, must be required to bear his fair share of the burden. To accomplish this an adequate force of enforcement agents are required.

During the Eightieth Congress, drastic cuts in the appropriations of the Bureau of Internal Revenue forced a large reduction in its personnel. The effect was reflected in the collection of deficiency assessments. Realizing the error, the Congress has been gradually restoring a portion of the force each year until it has now approximately reached its former level. In addition to this restoration of the enforcement personnel, nearly 2,000 additional employees were allowed in a supplemental assessment last year to take care of the increased workload under the extended social-security program.

The Bureau did not request an increase of personnel for 1952, but it did project into 1952 a larger number of employees for social-security activities than the Congress authorized in the 1951 supplemental appropriations. Our committee felt that under these circumstances \$3,500,000 could be shaved from its request without impairing the work of the Bureau. It was constrained to believe, however, that any further reductions would bring about a reduction of revenues. Therefore \$252,008,000 are recommended in the pending bill.

TAX RETURNS OF GANGSTERS AND RACKETEERS

At this point may I direct the attention of the Members of the House to the special hearings which our subcommittee conducted in connection with charges contained in a report of the Special Senate Subcommittee To Investigate Organized Crime in Interstate Commerce. This committee charged that income tax returns are being submitted by gangsters and racketeers which the Bureau would not accept from ordinary citizens. Although our subcommittee had concluded its regular hearings, officials of the Bureau were recalled and examined touching their practices in dealing with the returns of gamblers and racketeers. They explained that it is the practice of the Bureau to receive and file any returns that are submitted to them, but that such acceptance does not preclude them from subsequently investigating the returns, and that the Bureau has more than 400 men working full time checking income tax returns filed by gamblers and racketeers.

Criminal proceedings were instituted in Washington by the Bureau against one well known gambler for tax evasion on the very day the hearings were conducted. The policies and practices of the Bureau with respect to this type of case are fully outlined in the transcript of the hearings and I trust that each member of the House will read them.

COAST GUARD

The next largest spending unit of the Treasury Department is the Coast Guard for which the bill recommends \$196,000,000. In fact, the Bureau of Internal Revenue and the Coast Guard together spend approximately 75 percent of the funds appropriated to the Treasury Department.

The Coast Guard during World War II was under the Navy. Although it is continuing its operation as a branch of the Treasury Department during the present emergency, its activities are a vital part of our defense program. The Port Security Act enacted during the last session placed upon the Coast Guard the responsibility of guarding our seaports. These additional duties have increased annual expenditures, but our committee realizing the incalculable damage that might result from the explosion of one atomic bomb in one of our principal seaports hesitated to reduce this appropriation particularly in the face of testimony that the present program covers only minimum requirements. No reduction, therefore, was made in the budget estimate for operating expenses. The committee did feel that some of the contemplated improvements could be postponed and reduced the estimates for acquisition, construction, and improvements \$1,000,000.

BUREAU OF CUSTOMS

The Bureau of Customs requested \$38,300,000; \$37,500,000 is recommended in the bill. There has been a large increase in foreign commerce within the last few years. Our committee was importuned to substantially increase the

appropriations of the Bureau of Customs by importers who complained of unreasonable delays in customs clearance and undue port congestion. The committee felt that some relief was justified and that it would probably result in an increase in customs receipts. It felt, however, that the Bureau of Customs could handle the situation with less personnel than requested.

OFFICE OF THE TREASURER

There has been a sharp increase in the appropriations for the Office of the Treasurer, but this is due to the fact that the cost of printing currency which heretofore has been borne by the Bureau of Printing and Engraving has been transferred to the Office of the Treasurer in accordance with an act passed by the last Congress.

BUREAU OF NARCOTICS

The Commissioner of Narcotics testified during the hearings that there has been a marked increase in drug addiction particularly among the teen-agers. This is demonstrated by the fact that 2 years ago there were 3 addicts under the age of 21 at the Lexington Hospital, and today there are about 200 patients under 21 years of age at this hospital.

There has been a sharp and steady rise in the heroin traffic which is a drug twice as potent as morphine, and the marijuana situation remains bad.

A number of dope peddlers have been arrested in an important raid here in the city of Washington within the past few days.

The Bureau has been allowed an increase of \$180,000 over the amount appropriated in 1951 in an effort to take care of this alarming situation.

POST OFFICE DEPARTMENT—POSTAL RECEIPTS AND EXPENDITURES

All expenditures of the Post Office Department must be authorized by the Congress and are reviewed by our committee. The estimated expenditures for the year 1952 total \$2,360,874,000, of which an estimated \$1,839,500,000 will be derived from postal revenues, leaving a deficit for 1952, estimated at \$521,374,000, to be paid out of the general funds of the Treasury.

Members of the House will recall that the Post Office Department last year eliminated certain postal services which raised a hue and cry on the floor of the House. The Post Office Department estimated that this reduction in service saved approximately \$75,000,000 per annum. There are no funds provided in this bill to restore those services. To the contrary, the requests of the Post Office Department have been trimmed \$25,374,000.

The committee feels that there should be no further curtailment of service. It believes, however, that by the adoption of modern methods and the practice of strict economy, the reduction can be absorbed without impairment of service.

Postal expenditures have increased tremendously within the past few years. These increases have been due largely to three causes.

First, an unprecedented increase in the volume of mail. During World War II, postal volume climbed to new heights, and it was assumed that after the cessation of hostilities there would be a decline. Instead the volume has continued to increase each year.

Second, prior to 1945, postal employees had not received a salary increase for 20 years. Since 1945, four pay increase laws have passed the Congress which have increased employees' compensation approximately \$785,000,000 annually. This amount is more than the entire annual postal receipts prior to World War II.

Third, the cost of transporting the mail by rail and air has greatly increased. The rates for transporting mail by railroad is fixed by the Interstate Commerce Commission. The rates for transporting mail by air is fixed by the Civil Aeronautics Board.

The railroads have applied to the Interstate Commerce Commission for an increase of 95 percent in mail pay. The original petition was filed on February 18, 1947. For the first time, the Post Office Department has actively contested the increase. After a preliminary hearing, the Interstate Commerce Commission allowed an interim increase of 25 percent. A compromise agreement between the Department and the railroads has been reached for additional pay up to December 31, 1950. The order entered by the Commission approving the settlement provides for a fixed payment of \$312,000,000 to all railroads in addition to the rates in effect when the petition was filed on February 18, 1947. Since \$160,000,000 has already been paid under the 25 percent interim increase allowed by the Commission, the balance due under the order is \$152,000,000, for which a supplemental appropriation will be presented to the House in the near future.

The rates for 1951 and 1952 have not yet been determined by the Commission. The figures contained in this bill are based upon the old rate plus the 25 percent interim increase heretofore allowed by the Commission.

Notwithstanding these terrific increases in cost, there has been practically no increase in postal rates. This accounts for the annual half billion dollar deficit.

First class mail is the only class that is now self-sustaining. All other classes are carried at a loss to the Department. A petition is now pending before the Interstate Commerce Commission to increase the rates on fourth class or parcel post mail, and a bill is pending before the Committee on Post Office and Civil Service to increase other classes. The Post Office Department cannot be expected to absorb rapidly increasing costs without corresponding increases in rates.

EXPORT-IMPORT BANK OF WASHINGTON

The Export-Import Bank of Washington has impressed our committee as being an exceptionally well managed corporation. No funds are appropriated for the expenses of the bank, but its administrative expenses which

are paid from corporate funds must be authorized by the Congress. The bill recommends \$950,000 for the fiscal year 1952, which is a reduction of \$15,000 from budget estimates and \$15,000 less than the amount appropriated in 1951. The net profit of the bank was \$49,500,000 in 1951 and is estimated at \$51,300,000 in 1952. The bank has had an exceptionally low loss experience, and its normally acknowledged losses have amounted to only about \$250,000 on a total output of funds of over \$2,500,000,000, which is less than one-hundredth of 1 percent.

LIMITATIONS AND LEGISLATIVE PROVISIONS

The bill, on page 14, beginning in line 24, under postal operations, contains a proviso that during the current fiscal year the inventory of trucks, tractors, and trailers of the Post Office Department shall not exceed 17,500 such vehicles at any time. The purpose of this language is not to limit or restrict the Post Office Department in securing necessary equipment, but rather to force it to dispose of old and dilapidated equipment which is expensive to operate. New equipment for replacements has been authorized in the bill, and the old equipment should be disposed of.

On page 15 beginning in line 12, under the transportation of mails appears the following language:

Notwithstanding any other provision of law, no part of any funds appropriated to the Post Office Department shall hereafter be used for the transportation (within the continental limits of the United States) of mail over any route or by any means which the Postmaster General determines to be more costly than other available and equally satisfactory routes or means.

The purpose of this language is to give the Postmaster General the discretion as to what route or means he shall use in the transportation of mails. This language is the one point in the bill on which the committee is not unanimous.

The gentleman from New Jersey [Mr. CANFIELD], the ranking minority member, disagrees with the other members and in a minority report recommends that the language be deleted.

As chairman of the committee, I have discussed this bill in rather elaborate detail. In so doing, I was prompted by the thought that in these days of staggering expenditures, every possible effort must be made to hold appropriations to a minimum. Our subcommittee has carefully scrutinized every item. The Members of the House are entitled to a full and complete explanation of our actions. I submit the results of our investigations for your consideration.

Mr. SADLAK. Mr. Chairman, will the gentleman yield?

Mr. GARY. I shall be glad to yield to the gentleman from Connecticut.

Mr. SADLAK. This has to do particularly with the last part of the gentleman's statement. I have listened to it most attentively and I do not know whether it is because the gentleman and his subcommittee have been more zealous than the other subcommittees on appropriations in bringing the first ap-

propriation bill to the floor or not, but particularly in reference to the last statement the gentleman says that the House is entitled to know of the scrutiny with which all of these proposals have been submitted.

I would like to ask the gentleman this question: Has the gentleman and his subcommittee had available to it any information other than that submitted to the gentleman and his committee by the administrators of these departments?

Mr. GARY. With respect to the first remark that the gentleman made, I would like to say that this committee is usually the first subcommittee to report its bill to the floor of the House. We started our hearings before any of the other subcommittees, and, in addition, although this bill is one of the largest from the standpoint of total expenditures authorized, it is a rather compact measure, dealing with only two departments.

With respect to the assistance that this committee has had, may I say that the committee itself has done considerable investigating on its own account. Members of the committee during the past 3 years have visited practically all of the larger post offices in the United States. These visits have included the New York, Chicago, Los Angeles, Dallas, St. Louis, San Francisco, Seattle, and the New Orleans post offices. In addition, the committee has visited practically every installation of major importance of the Coast Guard. Last fall it visited Alaska. It has also inspected the New York, Maryland, Louisiana, California, and various other installations of the Coast Guard. The committee has had several investigations conducted by staff members, and I dare say the Treasury Department has had more investigations by outside firms than any other branch of the Government. This is due to the fact that our committee has been insisting on these Departments using the most modern methods available.

Two years ago, I believe it was in the Eightieth Congress, we started two outside investigations, one of the Coast Guard and one of the Bureau of Customs. The outside firms who made those investigations were selected by the chairman of the Appropriations Committee and the Secretary of the Treasury.

These surveys resulted in numerous recommendations for improvements, many of which have been installed and others are in the process of installation.

In addition, the Coast Guard this year has had two additional surveys made by outsiders, one of personnel and one of the methods of handling of its docks and harbors.

I doubt very seriously whether there are any two departments of the Government that have been as carefully investigated as these two departments. Frankly, I want to say, and the committee report so states, that the committee is not altogether satisfied with the results accomplished in the Post Office Department insofar as the installation of modern machinery, equipment, and

methods is concerned, but we are working on that project and we can at least report progress.

Mr. SADLAK. I thank the gentleman for that explanation. Did the gentleman's committee or any members of his staff perchance visit the Boston post office during the past year?

Mr. GARY. No, we have not been to Boston. The farthest north we have been is New London, Conn., where we visited the Coast Guard Academy and the other installations there.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from New York.

Mr. TABER. I wish the gentleman would tell us, if he could, what he envisages would happen as the result of the language on page 15, lines 12 to 18. I think there has been considerable talk about that. I believe we should have a little bit of an idea of what effect it is going to have and how it will work.

Mr. GARY. The purpose of the language is merely to give the Postmaster General the right to say what means he will use in the transportation of mail. It is designed primarily to take care of the situation which has arisen in connection with the helicopter service in the Post Office Department. At the present time they are operating a helicopter service in Chicago and in Los Angeles. The service in Chicago is costing approximately \$325,000 a year. The Postmaster General tells our committee that the service can be rendered just as satisfactorily by trucks at a cost of \$75,000 a year. Therefore, that operation is costing the Post Office Department approximately \$275,000 a year.

A petition is now pending before the Civil Aeronautics Board to establish a similar service in New York. Strangely enough, under the law the Civil Aeronautics Board can grant a certificate for helicopter service from a post office to the air field and, if when the certificate is granted, the Postmaster General is compelled to use the service whether he wants to use it or not. Regardless of the cost, regardless of the need, he is compelled to use that service. That is why we are spending \$275,000 more a year in Chicago than is necessary to handle that mail.

The situation is now becoming worse. We have one other application now and, in the opinion of our subcommittee the demand will spread. If they have helicopter service in New York, Philadelphia is going to want it. If Philadelphia gets it, Baltimore is going to want it. If Baltimore gets it, the city of Richmond, in which I live, is going to want similar service and as the service expands, we are going to add tremendous cost to the transportation of mail. This language does not say that you cannot have helicopter service if there is a need for it but it simply leaves the matter to the discretion of the Postmaster General, rather than to the Civil Aeronautics Board.

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. WIGGLESWORTH. Do I understand that this language is supposed to apply to the discretion of the Postmaster General in reference to the helicopter service, or does it extend beyond that point and apply also to any air-mail service?

Mr. GARY. We feel he should have that discretion.

Mr. WIGGLESWORTH. In respect to all mail service?

Mr. GARY. Yes. We feel he should have that with respect to all mail service. Of course this language would not apply to ordinary air-mail service where the patron has paid an additional sum to have his mail carried by air. It would not apply in a case of that kind, which is true of practically all of the air-mail service.

Mr. COMBS. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. COMBS. I have had some inquiries from my part of the country from people who are interested in this feeder line air-mail service of the small lines that are now carrying air mail. Could this language be used to take away that air-mail service and substitute some other form of service?

Mr. GARY. Not at all, unless the other service is less costly and equally satisfactory. It has to be less costly and equally satisfactory. Right now the Postmaster General has that right. It does not change that.

Mr. COMBS. You indicated that this provision, or this language would not apply to mail service where the patron pays the extra postage.

Mr. GARY. That is right.

Mr. COMBS. That is true of all the airlines carrying the regular mail.

Mr. GARY. That is correct.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. HINSHAW. The gentleman from Virginia said that the statement that the gentleman from Texas made is correct. The language of the Act, as the gentleman has produced it, says that the Postmaster General has the right regardless, whether it is airmail, railroad mail, or any other kind of mail and if he finds a cheaper way of doing it, he can use it.

I would like to read the language. It says there shall hereafter be used for the transportation of mail over any route or by any means which the Postmaster General determines to be more costly than any other available—note it says any other available, and equally satisfactory routes or means. All he has to do is determine that for himself, to determine that it is equally satisfactory and that route, the trans-Texas and the rest of them go out of business.

Mr. GARY. I stated that.

Mr. HINSHAW. That is all there is to that.

Mr. GARY. I so stated.

Mr. HINSHAW. All right, but the gentleman cannot say that the Postmaster General has a right, must because a man puts an airmail stamp on it dispatch it by air line. That is not true, as I understand this language.

Mr. GARY. Oh, yes. Certainly where the air service has been paid for the Postmaster General would be under obligation to transmit that mail by air if possible. Insofar as the feeder lines are concerned the Postmaster General has the absolute right to make changes in those lines at the present time if he so desires. The purpose of those lines is to speed up the service and to assist in the transportation of the mail. It is not the purpose of the committee to change that situation at all.

Mr. HINSHAW. Does the Postmaster General have the right to change the feeder-line service at the present time without this language?

Mr. GARY. He is changing it. He is authorized to carry the mail by any route he wants to, except where there is a specific direction to use a certain route, and in this case I know of no direction of that kind.

Mr. HINSHAW. If an air-mail certificate is granted to an air line, whether it be a feeder line or a trunk line or what-not?

Mr. GARY. He would have to use that line.

Mr. HINSHAW. No; not under the terms of this rider, as I understand it.

Mr. GARY. The Postmaster General would have to use that line if there was a certificate granted for mail for that particular service. That is right. He would have to use it unless under this law he determined that there was an equally satisfactory and less costly service, and it is my contention that in that event he should be permitted to use the less costly service if it is equally satisfactory.

Mr. HINSHAW. But let us point out to the gentleman from Texas that what he assumed in his question is true, that the Postmaster General can effectively cancel the certificate of a feeder air line by not giving it any mail.

Mr. GARY. It might operate in that case.

Mr. HINSHAW. That is exactly right, and the gentleman from Texas was correct in using that assumption.

Mr. GARY. And I think the Postmaster General could probably do it now.

Mr. CANFIELD. Mr. Chairman, I yield myself 40 minutes.

Mr. Chairman, I deem it a happy privilege to serve on the subcommittee handling this bill and I am very proud of our chairman, my colleagues, and our committee clerk. Our studies and considerations have been most serious and sincere. All of us are aware of the dangers that improper Federal spending means to our very survival in these perilous days. Our decisions, except in the case of a legislative rider attached to the bill and protected by the rule, have been unanimous. I believe the rider has no place in our bill and should be eliminated as it was last year.

During the hearings, I requested Treasury Secretary Snyder to prepare for our committee a memorandum on the method the Soviet Union is employing to raise revenues to develop and maintain its vast military establishment. His memorandum leads off with the

statement that roughly 60 percent of the U. S. S. R.'s budget receipts in the post-war period have been financed by a turnover or sales tax. No wonder there has to be an iron curtain.

With my colleagues on the subcommittee, I cannot help but wish it had been possible to consider other appropriation bills before that dealing with Treasury and Post Office operations. These are service agencies, one of which is continually running in the red, and the history of the House Appropriations Committee will show that it has not been possible down through the years to effect extraordinary cuts. Of the \$586,100,000 allowed for the Treasury, a total of \$491,402,000 is made up in needs of the United States Coast Guard, the Bureau of Internal Revenue, Bureau of Customs, Secret Service, and the Bureau of Narcotics. It should be clear that none of these agencies can stand any substantial cuts. Let me discuss some of the circumstances involved.

The United States Coast Guard, although part of the Treasury Department, is a vital component of the national defense. In time of war it is automatically transferred from the Treasury to the Navy. Two years ago, in passing a codification of laws for the Coast Guard, this body reaffirmed the Guard's military status in these words:

The Coast Guard * * * shall be a military service and a branch of the Armed Forces at all times (14 U. S. C. 1).

During the last two years this country has been involved in an international situation which, although not a state of declared war, is sufficiently serious that we have approved with little question the expenditure of billions of dollars for our defense agencies. Except for one relatively small expansion for port security approved last fall, the Coast Guard has received not one penny for expansion for military readiness. Today the personnel manning schedule of Coast Guard units is on exactly the same basis as was provided for the fiscal year 1949. A cut will mean a reduction in military personnel, a reduction below a standard of peacetime operation established in 1949—or a curtailment of a program of port security adopted and approved by this group less than 6 months ago. Will anyone say with any degree of assurance that there is less danger to our ports today than there was last September?

At the hearings on this bill I asked the Commandant of the Coast Guard, Vice Admiral Merlin O'Neill, how prepared the Coast Guard would be if M-day came tomorrow and he replied that this military unit would be "caught short". I asked him how many men he could muster in the event of a sudden emergency—an attack on a specific area. I mentioned New York and he indicated that presently there would not be more than 300. I don't care to disclose the exact number that will be available when the Port Security program so recently inaugurated is fully completed, but the mathematics are simple and anyone can conjecture. Approximately 4,200 men have been provided for thirteen vital port areas, or an average of approximately 330 men per port. Even admitting that

New York, because of its size and importance, gets more than an average share, there will still be less than 1,000 men to protect the largest and one of the most vital port areas of the country from damage, destruction by sabotage, or subversive attack.

The war plans of the Coast Guard are part of the Navy plans. The missions of the Coast Guard in event of war are assigned by the Navy and, while I cannot list those missions for secrecy reasons, I can state that they are missions only the Coast Guard is to perform. They do not duplicate the missions of other services. I can say too that these missions require an immediate expansion of the Coast Guard on M-Day, and within 2 or 3 months after that time the Coast Guard must more than double its strength, and that doubling must be in trained men. Where will they come from? I do not know and I fear the Coast Guard does not know.

The service has tried desperately to reactivate, revitalize and train a reserve force that was born just before World War II, sprang into full existence during that war and then practically dissolved after VJ-day for lack of funds. Last year I led a fight on the floor of this House for a small appropriation for reserve training. I am happy that the amount was allowed, even though it was only enough to provide a start in a rounded program. Unfortunately, there will be no volunteers after M-day to which the Coast Guard can turn. Selective Service will freeze everything and the Office of Selective Service has indicated that after M-day 2 or 3 months will be required before any men will be available to any armed service. It takes 2 to 3 months to train an apprentice seaman, anywhere from 2 months to a year to train a rated man, depending upon the specialty, after the basic 3 months period. In other words, from 3 to 15 months after M-day, under present conditions, the Coast Guard will begin to have available the men it should have on M-day plus 1 week, M-day plus 1 month and M-day plus 2 months.

May I direct your attention to page 173 of the hearings, an interrogation of Admiral Richmond by our distinguished chairman:

Mr. GARY. As I understand, in this program you are not asking for any personnel over and above the number that has already been approved for 1951?

Admiral RICHMOND. That is correct.

We have pledged ourselves to the defense of these United States. The Coast Guard appropriations in this bill will promote this undertaking.

The Congress has enacted tax laws which under present conditions require the filing of approximately 90,000,000 tax returns of all classes covering 79 separate sources of revenue. The gross revenue yield during 1950 was \$38,900,000,000. For 1951 the yield is expected to be \$47,800,000,000.

The collection of this sum involves a wide variety of administrative tasks embracing interpretation and ruling services, investigation and audit, collection of delinquent accounts, consideration of taxpayer appeals, regulatory and inspec-

tion work in the alcohol tax field, clerical processing of returns and accounting for funds, and executive control.

The inherently complex nature of tax administration requires manpower to perform any reasonably satisfactory administrative job. The total cost of tax administration during 1950 was 59 cents for each \$100 of tax collections.

Recently enacted legislation in connection with the social-security amendments of 1950 has substantially increased the workload of the Revenue Service, as well as many provisions of the Revenue Act of 1950. No request as yet has been made for a 1952 supplemental to take care of the excess-profits tax amendments.

During 1950 a total of 4,326,886 returns were examined out of the total of close to 90,000,000 filed. The added tax obtained through these examinations aggregated \$1,747,592,000. In recent testimony given by the Commissioner of Internal Revenue before the Ways and Means Committee, he stated that an additional amount of \$1,000,000,000 to \$1,500,000,000 would have been obtained if every taxpayer had made a complete return of his liability.

The Bureau has been undergoing for the past few years, as a result of investigations of the Appropriations Committee and others, a rather complete overhaul of its operations, and many far-reaching improvements in procedures have been inaugurated.

Any reduction in appropriations simply means a direct reduction in the examining capacity of the Bureau. Any reduction in the examining capacity directly results in more incorrect returns being placed in the files without audit.

The present reduction of \$3,500,000 in the Bureau's estimates, which has been recommended by the Appropriations Committee, is, roughly, the equivalent of about 900 man-years.

Recent disclosures of the Kefauver committee has indicated the need for activity from a tax-enforcement standpoint in connection with the criminal element of our population. At the present time the Bureau has approximately 400 investigators, which has been described in the press as a special racketeer-gangster unit. I am reliably informed today that the Treasury plans to step up this number to at least 700 and the effort in this field will be intensified as it has never been before.

With taxes at the currently high level and the likelihood of further increases, the importance and difficulty of tax collection are bound to increase. Any diminution of effort in this field by reducing the number of tax-enforcement agents will be an official stimulant to the criminal element of our population, as well as those not disposed to pay taxes, to continue to evade their responsibilities. If Congress is to continue to increase the scope of taxes and to make them more effective by attempting to close loopholes, the administrative arm of the Government of carrying out the enacted laws will have to be strengthened.

There was a period of more than 20 years in which the Bureau of Narcotics sought no increase in its appropriation.

This was because the narcotic-enforcement situation in this country seemed to be well in hand. Year by year the rate of narcotic addiction in the country was being gradually reduced. Year by year the amount of narcotics available in the narcotic traffic was slowly being choked off. As costs of operation of the Bureau soared, these were absorbed and the force gradually reduced from a prewar average of approximately 250 men. The average number of field agents was finally brought down as low as 175 in the last fiscal year. Increases allowed by the Congress have permitted a very modest rise this year to an average of 190 men.

Here is a bureau which played fair with the Congress and the taxpayer. There was no inclination to maintain an organization for organization's sake. The size of the force was closely adapted to the problem at hand.

About 2 years ago the Bureau noted a sharp and alarming increase in the number of new addicts that were appearing. Also, there was a significant increase in the amount of heroin, the most dangerous drug of addition, which was becoming available in the illicit narcotic traffic. The Bureau is not able with its present force to stop this dangerous trend. Herculean efforts have been made. Month after month narcotic agents, who are paid for only 40 hours, have been working an average of 55 hours per week, contributing almost 2 days a week for which they receive no compensation except the knowledge of a job well done. Their efforts have resulted in the production of an impressive number of cases per agent. For its size, the Bureau puts on the dockets a tremendously high ratio of the criminal cases which are currently being disposed of in our courts. The Bureau believes that as a result of its cases, it has the highest number of persons serving time in penitentiaries per officer employed of any Federal investigative agency.

Despite this great energy and production, we are still losing ground in the fight against the narcotic traffic. The ratio of addiction is still on the rise. Each new addict is a particular tragedy. He presents a difficult case to cure. He becomes a source of infection from which other addicts are made. A younger class than formerly is becoming addicted. Many hoodlums in their late teens and early twenties are resorting to drugs. The people in this country have become alarmed. They are besieging the Bureau of Narcotics with requests for action in specific matters. The Bureau, with its limited facilities, finds it physically impossible to respond to many of these requests.

Elaborate and extensive schemes seeking to correct this situation are being advocated.

There is another serious aspect to the present increase in drug addiction in that many of the new addicts are in the age range where they should be subject to the military draft. At the present time, this puts an additional burden on the Bureau of Narcotics, which must work in connection with the military people to keep narcotic peddling away

from military concentrations. Also, it must assist the draft and military authorities in coping with those cases where drug addiction is falsely advanced as a reason for escaping military service.

The Bureau of Narcotics feels that the best single action which can be taken against the narcotic traffic and the best single step to reduce drug addiction in this country is additional investigative activity against the narcotic traffickers coupled with vigorous prosecution and substantial penitentiary sentences. The Bureau's requests are modest. Certainly if an additional 30 agents, or for that matter if twice that number were required to check the increase in narcotic addiction in this country, they should be made available.

I was glad to note a sentence recently imposed on a peddler of narcotics by Passaic County Judge Alexander M. MacLeod of my home city of Paterson, N. J. As he sentenced the offender to the limit of the law in our State—7 years behind the bars—Judge MacLeod said:

A fellow who will go out and sell narcotics, in the opinion of the court, is worse than a murderer, because one who sells or distributes narcotics kills the soul of a person. The narcotic vendor brings slow death and disgrace, for the addict loses pride, honor, and integrity; his usefulness is gone and his veracity is destroyed. The illegal dispenser of narcotics is a major criminal. He is a triple threat to the health, safety, and morals of the community. For people who prey upon the weakness of a man, where they sell narcotics to addicts, I think there is no adequate punishment. It is one of the most corrupt rackets in the United States today. From it comes mind-, body-, and soul-destroying habits that rob the victim of reason. There is no habit that can more encourage criminality in its worst form. All this can be laid to the viper who puts narcotics into the hands of victims for the gain of money.

Regarding the Post Office Department, I invite careful scrutiny of the subcommittee's criticism in its report on this bill. Let me quote briefly therefrom:

The committee still believes, in spite of the testimony on mechanization presented at this year's hearings, that the Post Office Department is still dragging its feet when it comes to the installation of modern mechanical equipment in its large city post offices throughout the country. The committee's interest in improving and expediting the handling of mail in large post offices is well known to the Department, but it is taking too little heed of what the committee has said on this subject in previous reports. Again the committee wishes to restate, most emphatically this time, that the Post Office Department must take immediate steps to survey its needs of mechanical equipment and proceed without further delay with a plan which would embrace the complete installation of suitable mechanical equipment in those post offices which have a sufficient volume of mail to justify it.

The report then describes a visit several members of the committee made to the post office at Dallas, Tex., where was discovered a complete and simple method of sorting incoming mail apparently not used elsewhere. The committee said:

The establishment of such a system in other offices throughout the country will enable the maximum use to be made of new employees at a much earlier period than would otherwise be possible.

In another section of the report there is this further criticism:

The committee regrets very much the extreme reluctance of the Post Office officials to encourage postal employees to participate in the suggestion system which is being used to advantage by all Government departments and large industrial and commercial firms.

And:

The committee is very disappointed that the Department has, up to this time, failed to make any award to Mr. John Sestak, an employee of the Chicago post office, who designed and constructed a mail distributing machine which has been in use over a long period of time.

The excuse given in this case, incidentally, was that it would be difficult for the Department to estimate the savings. This is not convincing to the committee and it is felt that the failure to do anything in this instance certainly does not encourage other employees in the postal service to submit ideas for improvements in postal operations. On this subject the report has this to say:

It simply is not a healthy condition, contributes little to the morale of the employees, and fails utterly to stimulate their interest, industry, and imagination to say nothing of the failure of the Post Office Department to take advantage of the reduced cost of operations which would naturally and inevitably follow.

The report made no reference to the extraordinary postal payroll fraud perpetrated in one of our large eastern cities. It has been discovered that more than 200 employees were involved to the extent of \$1,000,000 of the taxpayers' money. In the hearings the Postmaster General told us that a large force of inspectors were working on this case, which involved the ringing-in of time-clock cards for services not rendered. The Postmaster General admitted that fraud could not have happened without a weakness in supervision.

While I know of no reflections against the Inspector Service, I cannot help but wonder if the present system, under which inspectors are permitted to live and work in one community without rotation, is in the best interests of the service. In a sense they become part of the local post office family and undoubtedly it is sometimes difficult to file complaints which may be damaging to that family. The Department admits it is giving consideration to rotation, but is inclined to defend the present order.

When he was first questioned by Members of Congress after his curtailment order last year, the Postmaster General said he had a fair idea how much would be saved and his idea then, in his own words, was, "I would say something around \$20,000,000 may be saved by this procedure." Since that time he has revised this figure upward until it is now seventy-five or eighty million dollars. Yet the Department admits it has not been able to estimate the actual savings and no records have been maintained from which actual figures might be furnished. This is admitted in a letter dated February 15, 1951, addressed to Senator IRVING M. IVES, of New York, by Assistant Postmaster General Joseph J. Lawler. It is my contention that the

postal service in the United States could be normalized, that is, a return made to the regular two-delivery system in residential areas and the use of the directory service, without the addition of one extra dollar.

It is also my belief that the Post Office Department needs outside help. A competent management-engineering-efficiency concern could show it how to modernize and cut costs. As the committee report emphasizes, the Department drags its feet in any orientation of this kind. In this connection, let me call your attention to a statement by our distinguished chairman, Mr. GARY. He was addressing the Postmaster General and he said this:

I believe there is a tremendous field in the Post Office Department for some savings by the adoption of more modern methods. In my opinion outside mechanical engineers could give you considerable assistance in working out these problems.

I was amazed when the Postmaster General told the committee that his fan mail on that curtailment order ran 100 to 1 in favor of his action and I have heard recent statements by those supporting him that the people of our country are not really complaining, that business is not impeded, and that there is general satisfaction with military mail. I want to read some editorials and other comments bearing on this.

Here is an editorial appearing in the Philadelphia Inquirer of Saturday, March 3, 1951, entitled "Once-a-Month Mail Service":

ONCE-A-MONTH MAIL SERVICE

Although the Post Office may have some mathematical justification for its stand that higher rates are necessary to overcome the chronic postal deficits, it would have more popular support for its plea if the service provided now were a little less erratic.

The cut in mail deliveries to one a day in residential areas hasn't ended the deficits. What it has done is to put home postal service in this country on a par with the deliveries in the more backward countries.

But the decline in mail service hasn't ended there. One business concern in this city has reported that postcards it dropped in the box on February 1 reached their destinations—also in the city—as late as February 28. Is this one-a-day service, or once-a-month?

Complaints against this sort of thing are manifestly warranted. They cannot be brushed off with explanations that postcards ought to carry 2 cent, instead of 1 cent stamps. Nor can they be answered with another plea for bigger appropriations.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield.

Mr. H. CARL ANDERSEN. I was very much interested in the gentleman's comments relative to the proposed savings by the Postmaster General because of his reduction order. If there were anything to this particular saving why is it not reflected in the appropriation request now before us? Instead of reflecting a saving they are asking for \$16,922,000 more for that purpose for the fiscal year 1952 than they had in 1951. How can you reconcile that?

Mr. CANFIELD. The answer of the Postmaster General is just this: There has been an increase in the volume of

mail and any savings had to be used up for necessary postal service.

I have here an editorial from the Salt Lake Tribune of February 27, 1951, entitled "Delayed Mail Service Annoys Newspaperman":

DELAYED MAIL SERVICE ANNOYS NEWSPAPERMAN

A newspapering friend of this paper who has lived in many parts of the world in pursuit of his trade has recently moved from Chicago to New York City, and now is keeping tabs on the mail service between the former town and the New York borough in which he lives.

He says that ordinary mail from Chicago to Queens takes 4 days—about the same time as air mail from Chicago to Rome.

His conclusion is that the United States now has about the same letter service as a second-rate Latin-American country. It's better in Brazil, and in many European countries whose governments we subsidize. Particularly it is far better in England.

If the time ever comes when our Government finds a decreased need for raising living standards all over the world, he thinks, perhaps some of the savings could be devoted to improving the cross-country mail service in the United States.

He says it is better in England. The Postmaster General himself testified to that.

Here is the Daily Advance published every afternoon except Sunday by Carter Glass & Sons, Lynchburg, Va.:

I read from a letter to the editor:

There are several things in connection with the United States postal service that puzzle me. I'd like to ask a few questions and see if anybody can provide the answers.

First. Why does it take 4 days for a letter to be delivered from a city in North Carolina to a person in Lynchburg?

Second. Why is a letter addressed to a person well-known in Lynchburg returned to the sender, more than a thousand miles away, because there is not a specific street address, though this can be immediately found in both the telephone directory and the city directory?

Third. How is it that I often get a letter from Europe more quickly than one from New York?

Fourth. Why is it that a magazine mailed in New York often does not reach me until 2 weeks after being mailed?

I am not going to read the response of the editor; it is too hot.

Now I read from a trade paper:

[From the Advertising Age of February 19, 1951]

POSTAL SERVICE: BAD AND GETTING WORSE

From every side one hears complaints about the deteriorating postal service.

A correspondent tells us, for example, of an instance in which it took 9 days for a plate, mailed parcel post in his own city, to reach him, and of another instance in which a letter which was incorrectly addressed got to a postal substation within 3 miles of his office and was then returned to the writer, more than 1,000 miles away, because the post office would not supply directory service.

These are extreme, but by no means unusual instances of the manner in which the postal service, once the pride of the entire Nation, has deteriorated, to the detriment of business, the public, and the Government itself. There are bitter stories whispered here and there to the effect that some of the deterioration was planned that way to prove to a reluctant Congress how badly the service needs additional revenue. We hope and believe that they are not true.

But it is clear that postal service is a long way from being as good as it once was, and

it is completely ridiculous that this should be so. No service of the Government so directly affects the lives of all the people; none is so widely used or so deeply trusted. Holding the country together without the communications system that is the United States Mails is unthinkable. And a deterioration in its vital service can be disastrous. Whatever it takes to get first-class service must be provided. No other attitude is worth considering.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield.

Mr. HINSHAW. I just wondered if the gentleman was going to discuss this provision on page 15 before he concludes his remarks.

Mr. CANFIELD. Yes; I will do that now. May I say to the gentleman from California, however, that I have in my hand a dozen more editorials commenting on poor mail service, editorials coming from various States in the Union not heretofore recorded.

The gentleman from California has asked me to comment on the legislative rider to which the chairman of our committee addressed himself earlier in the afternoon, and I am going to read briefly from my minority report on that rider:

It is improper procedure and it poses a possible threat to our total national interest in time of conflict to employ the use of a legislative rider to an appropriation bill in order to alter the purpose and intent of the Civil Aeronautics Act under the name of economics which are disputable. The rider is directed particularly against helicopter mail service at a time when the House Committee on Interstate and Foreign Commerce again has under consideration a bill to provide for separation of air mail pay and subsidy.

The Congress established a policy under the existing Civil Aeronautics Act which charged the Civil Aeronautics Board with the responsibility of fostering the development of civil aviation—not only to provide an adequate and efficient mail service but also further the interests of commerce and the national defense.

Why are the carriers in the air being subsidized today through mail payments? To keep the ships flying, to keep trained pilots in the air, to keep the facilities ready for M-day when M-day comes, a settled policy of our country through laws enacted by this Congress.

A fact that cannot be disputed is that unless there is a certificate for mail service by the Board there is no way under law to provide Government aid to support these highly important operations.

Only one witness, in the person of the Postmaster General, gave any formal detailed testimony before our committee regarding this policy and he said, in part, "If you transfer from the Post Office Department to the Military Department the problem of promoting and advancing commercial aviation as the Post Office Department has since 1918, you would spend far more money of the taxpayers to the military service in supporting that program than you would in the postal service," and he added, "The use of the helicopter has never been better demonstrated than it has in the Korean situation."

An application from the New York metropolitan area for helicopter mail and passenger service, supported by the Port Authority of New York, is now pending before the Board and the committee has been advised informally that it will probably receive favorable consideration unless this rider is approved. Helicopters and highly trained

helicopter pilots and facilities would certainly prove a Godsend to this prime target area in the event of atomic attack.

Chairman D. W. Rentzel of the Civil Aeronautics Board is authority for the statement that the commercial aviators carrying the mail and pioneering in helicopter development have been responsible for dramatic aids to the military in Korea in which the helicopter has proven invaluable not only in reconnaissance but in the rescue of wounded soldiers. He holds that current technical improvements in both the size and efficiency of new helicopters appear to make possible a very sizable commercial operation which will be largely self-supporting and will provide a reserve of helicopter aircraft and trained personnel which will be available to the military in an emergency and maintained at little or no cost to the taxpayer.

The hearings on this subject, Mr. Chairman, are cursory. Only one witness was heard and he was not asked more than five questions. I refer to the Postmaster General. We did call down for informal testimony Chairman Rentzel of the Civil Aeronautics Board, and he is bitterly against this rider, holding it does pose a serious threat to our total national interests in this perilous period. We had absolutely no testimony from anybody representing the Department of National Defense.

Last year the House rejected this approach in a similar bill, and I hold it should do so today.

Mr. HERTER. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from Massachusetts.

Mr. HERTER. Earlier in the gentleman's remarks he referred to a situation in Boston and I am wondering if he would be willing to yield long enough for me to say a word in regard to that situation?

Mr. CANFIELD. I will be glad to do so.

Mr. HERTER. We have been told over and over again in the Boston postal district that the failures of the Post Office Department were due to lack of funds, to lack of appropriations by the Congress.

I should like to read an editorial from the Christian Science Monitor which bears directly on that subject. I hope that the responsible committees of this House will make an investigation of the situation that is revealed by the editorial before the close of this session. This is called "Payroll frauds" and reads as follows:

PAYROLL FRAUDS

It is doubtful if the United States Postal Service ever before experienced such methodical and widespread embezzlement as has been uncovered at Boston's South Postal Annex.

Unofficial estimates of losses run as high as \$4,000,000, paid out as wages to absentee workers whose time cards were punched by confederates for a fee of \$4 a day.

Quick and vigorous prosecution has been rightfully promised by George F. Garrity, the United States attorney at Boston. Non-talkative Post Office inspectors are persistently ferreting out the facts in a full-scale investigation to present to the Federal grand jury to be convened March 19.

Such cynical, blatant fraud by public servants is particularly despicable when the Nation itself is facing a crisis and finds it necessary to impose the highest tax rates

on its citizens in the history of the country.

It calls for immediate steps, in addition to prosecution, to make a repetition of such a crime an impossibility. A completely new system of supervision at the huge clearing-house for all mail of 25 cities and towns comprising the Boston postal district would certainly not be amiss.

Between 2,000 and 3,000 workers are employed at the annex each 24-hour day, but officials should know something about what goes on. Time cards should not be the only means of knowing that each worker is present. Roll calls at the halfway mark between every work period might serve as a check against time cards punched by others.

That there could be any whitewashing to protect the politically favored, as has been hinted in news stories, is unthinkable. Outraged public opinion should follow through to insure a genuine clean-up.

Mrs. ST. GEORGE. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from New York.

Mrs. ST. GEORGE. I thank the gentleman from Massachusetts for having brought this matter to the attention of the House. It seems to me, especially at this time when we are considering raising postal rates, that a full-fledged investigation of such abuses as have occurred in Boston—and I am reliably informed are occurring in other post offices—should be undertaken at once. I commend the gentleman for calling this to the attention of the House, and I sincerely hope that before the end of this session some such investigation will be undertaken. It will exonerate those who are right, but certainly those who are wrong should be punished.

Mr. HERTER. I thank the gentleman.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from Virginia.

Mr. GARY. I would like to call the attention of the gentleman from Massachusetts to the fact that this committee questioned the Postmaster General concerning the Boston case, and we were assured by him that there would be a very full and complete investigation, and that he would see to it that the chips fell where they may; that no one would be spared in the investigation and that every effort would be made to correct the situation.

Mr. HERTER. I am very glad to have that assurance. On the other hand, I must say, in all candor to the gentleman, that I know some of the workings of the post office in my own city, and I have grave suspicions that unless an independent investigation is made by a committee of this Congress this whole thing will be whitewashed.

Mr. GARY. The committee went into the situation very fully, and you will find it is covered in the hearings. Certainly the committee will do everything in its power—and I am sure I speak for the full committee—to clean up this situation.

Mr. CANFIELD. Mr. Chairman, I have in mind making a further comment in response to the question of the gentleman from Minnesota [Mr. ANDERSEN], who wanted to know where in the hearings he could find the savings from the curtailment order documented. I refer

to a letter that the Assistant Postmaster General, Joseph J. Lawler, addressed to Senator IRVING M. IVES, under date of February 13, 1951, in which he said this:

The Postmaster General has asked me to answer your communication of February 8, 1951, transmitting an inquiry from Mr. John J. O'Brien, 426 Baltic Street, Brooklyn 2, N. Y., as to the amount of savings effected by the Department since June 1, 1950.

It is presumed Mr. O'Brien makes reference to savings incident to readjustments in the postal service directed in the Postmaster General's order dated April 17, 1950. Changes set forth by this order were effective immediately in many cities, while at other points due to local conditions changes were not made until later.

Because of extra expenditures due to increased mail volume and extensions of service it would be difficult to accurately estimate the actual savings and no records have been maintained from which actual figures might be furnished.

Mr. H. CARL ANDERSEN. I may say to the gentleman that that is a mighty weak answer on the part of the Postmaster General.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from Minnesota.

Mr. O'HARA. Would the gentleman permit me to refer back to the situation regarding the limitation placed in this bill concerning the transportation of mail and the limitation which has been imposed by the committee? Can the gentleman tell me what this would mean in the event a large airline and a small airline were serving the same city? Would it not mean that the Postmaster General under this language would have to give the business of hauling the mail to the large airline, assuming that it would operate more economically than the smaller airline?

Mr. CANFIELD. That is definitely my understanding.

Mr. O'HARA. Let me ask the gentleman this question: Under this language if there were a small railroad furnishing the mail transportation and there was also truck service, and the truck service could be operated more economically for the delivery of mail than the trains, regardless of all the other needs for that train service, would not the Postmaster General be compelled to give that service to the truck operation?

Mr. CANFIELD. That is my understanding, and I would add this: I called the Post Office Department this morning to ask specifically about costs in connection with the helicopter service in Los Angeles and Chicago. I was told that while it had been established that truck service would be cheaper, the helicopter service provides for more expeditious delivery of the mail to the extent of at least one-half a day.

Mr. O'HARA. I thank the gentleman.

Mr. GARY. Mr. Chairman, I yield 20 minutes to the gentleman from Louisiana [Mr. PASSMAN].

Mr. PASSMAN. Mr. Chairman, I am honored to be a member of the House Appropriations Committee, and I am particularly pleased and proud of my membership on the Post Office and Treasury Subcommittee. It has been said that praise and flattery are closely

related, but my praise for the chairman of this subcommittee, the gentleman from Virginia [Mr. GARY], is sincere and has no relationship to flattery. The gentleman from Virginia [Mr. GARY] possesses great ability and that ability has been manifested in the handling of the bill that is before this committee for consideration. Our chairman is tolerant, patient, fair, and impartial to everyone—witnesses and his associates on the committee alike.

Members of the Appropriations Subcommittee on Post Office and Treasury should know more about these departments than the average Member of Congress, in that it is their responsibility to check well into the justifications submitted by the departments and to prove or disprove claims set out in the justifications and the witnesses' statements.

Just criticism or just praise certainly are in order as they apply to individuals as well as departments of the Government.

I am not in complete accord with some of the statements in the report accompanying this bill, but as a whole the report is well prepared. As a member of the subcommittee handling the appropriation for the Post Office Department, I would be remiss in my duty if I did not praise the management of the Post Office Department and state without fear of successful contradiction that the Post Office Department is the most efficient Department we have in the Government.

I have checked into the hearings and justifications of the Post Office Department for a period covering the past ten years, and from the information I have been able to piece together, it appears that the criticism of the Post Office Department's operation has mainly developed in the past 3 to 4 years. The reasons are obvious and I should like to discuss them briefly.

For the past few years the Congress has considered increasing postal rates to offset part of the tremendous deficit in operating the postal service. From the inception of this move there has been a tendency by many to discredit the postal operation as a means to defeat legislation that would have for its purpose to increase postal rates.

In 1940 the total cost of operating the postal service was \$807,000,000, on an annual basis. Ten years later, in 1950, it cost to operate the postal service \$2,224,319,182. Since 1945 the merited salary increases for postal employees alone have amounted to \$803,000,000. Transportation cost of mail by air, rail, and boat has increased by several hundred millions of dollars; rental of buildings occupied by post offices and stations has greatly increased; cost of motor vehicles has almost doubled, and certainly this applies to new equipment and supplies. Now, the tremendous increase in operating the postal service has been brought about largely by laws enacted by the Congress. Now, what is the real trouble with the postal service? I think the record will bear me out that it is a simple question of the Congress refusing to raise postal rates in accordance with the tremendous increased op-

erating cost, plus the almost unbelievable increase in the number of pieces of mail handled, which is now approaching 50,000,000,000 pieces of mail annually. As an example, let us discuss the 1-cent penny postal card. It costs the Post Office Department nearly 3 cents to print and handle this piece of mail. It was established in the hearings that the Post Office Department in 1950 sold 4,000,000,000 of the 1-cent penny postal cards. It was also established that better than 94 percent of these postal cards were used by large advertising agencies, department stores, and mail-order houses. The public utilities discovered that they could take advantage of this subsidy, so another 4 percent is used by the public utilities, church and fraternal organizations, and less than 2 percent are actually used by individuals for the purpose of correspondence. In effect, the net loss in the sale and handling of the 1-cent penny postal card for 1950 amounted to \$70,000,000. In 1950 the net loss in handling second-class mail amounted to \$192,000,000. In the same year the loss in handling third-class mail amounted to \$136,000,000, and on fourth-class mail \$77,000,000.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. GROSS. Does the gentleman base those figures on the cost ascertainment figures of the Post Office Department?

Mr. PASSMAN. I certainly do base them on the cost ascertainment figures of the Post Office Department.

Mr. GROSS. May I say to the gentleman that some of us on the Committee on Post Office and Civil Service do not believe that the cost ascertainment figures of the Post Office Department are realistic.

Mr. PASSMAN. The gentleman will have an opportunity to express his own views and furnish any evidence that he has in his possession to discredit or disprove those figures. If the gentleman has such information, I wish he would furnish it to the committee or to the House this afternoon.

Recently I made a radio broadcast pointing out to my constituents why the Post Office Department was operating at such a loss and then the mail began to pour in condemning me for my stand. Here is some of the proof as to how far some of the Post Office Department's patrons will go to protect their sacred subsidy.

The publisher of one weekly newspaper in my district stated if we increased postal rates it would put him out of business. I immediately drew a credit report through one of my companies on this publisher which revealed he had a net operating profit in 1950 in the amount of \$11,264. I then checked to ascertain what was the total cost of mailing his publication in 1950, and it was the staggering sum of \$43.28.

There is a certain church in my district with a large membership that publishes a weekly bulletin. I had 21 letters from members of this church complaining that if we increased postal rates, they might have to discontinue publishing this week-

ly brief news report. This is a wealthy church. In checking into the cost of mailing the publication, I discovered that it cost the church the staggering sum of \$18.63 annually to handle this publication.

I received several letters from public-utility companies and one of them in particular pointed out that they mailed their monthly statements on the 1-cent postal card and asked me not to disturb their subsidy. They stated that they would rather see some other class of postage increased. To be specific, they recommended that we raise the required additional funds on second-class mail.

I observed in the Governmental Affairs Bulletin No. 8, volume 52, dated March 16, that a witness for the National Association of Magazine Publishers told the House Post Office Committee that the proposed 100-percent increase in second-class mail in the next 3 years would wipe out the net profits of most magazines. The witness urged the committee to recommend increased first-class mail to 4 cents instead of boosting the rates on magazine and newspapers. I would like to remind the committee that the 3-cent rate on first-class mail is the only class on which a profit is made. There has been much said about the obsolescence of the Post Office Department. A majority of these statements are idle gossip and cannot be substantiated. I would like to point out to the committee that approximately 85 percent of the cost of operating the Post Office Department is for mail handled by human effort that cannot be replaced by any type of machines. A robot cannot deliver the mail on R. F. D.'s, star routes, and city deliveries. Neither can a robot detect whether a letter is addressed to Susie Brown or John Smith.

I do not contend that certain improvements could not be made in the Post Office Department but those of you who have visited large post offices have observed they have devices for canceling mail at high speed, automatic pick-up tables for assembling of mail, high-speed conveyor devices which are miles and miles long. An inspection tour disclosed that the Post Office Department has the most modern and up-to-date accounting and bookkeeping machines obtainable, and from time to time they are improving their methods for expediting the handling of mail.

There has been much said about the Postmaster General's order curtailing residential mail deliveries to one a day. Notwithstanding statements to the contrary, I am convinced, and there is proof to back up my conviction, that the curtailment of residential mail deliveries to one a day has saved the taxpayers between \$75,000,000 and \$80,000,000 annually. Now, let us discuss this matter a bit further.

After the Postmaster General's order I began to receive considerable complaint from certain sections of my district. There was one town from which I received eight letters of complaint. Upon investigation I discovered that this town did not have residential mail delivery service at all. I received 11 letters of complaint from another small town and upon investigation I discovered

that this town never had had city delivery. All of the patrons of these two towns had to go to the post office for their mail. Now, is it not only too obvious that there was a well-organized effort on the part of certain selfish individuals to mislead the Members of Congress as to the hardships suffered because of one residential mail delivery daily? Should it not also be pointed out that during World War II and for several years thereafter, we had never had but one residential mail delivery daily? The two mail deliveries daily were inaugurated only a few years ago and at no time did over 28 percent of our residential population enjoy this super-duper, non-essential service. Should it not also be pointed out that under the Post Office Department's policy, the morning delivery covered first-class mail and the second residential mail delivery had to do primarily with second- and third-class mails?

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. GROSS. The gentleman understands that the Postmaster General's preliminary order affected window service. They do not have carriers in the small towns of which the gentleman speaks.

Mr. PASSMAN. Window service was not greatly affected. But the main complaint has been registered on account of the curtailment of residential deliveries to one a day. I contend that the Post Office Department is taking a lot of unjust criticism which is nothing more than well-planned propaganda to prevent the Congress from increasing postal rates. So great has been the subsidy to many segments of our American public that it is costing hundreds of millions of dollars more today to operate the postal service than it cost to operate all branches of the Federal Government as late as 1917. The net operating deficit of the Post Office Department in 1950 was almost as much as the total cost of operating all branches of the Federal Government as late as 1905.

I contend that the only answer is to increase postal rates and to eliminate as nearly as possible the hundreds of millions of dollars in subsidies being granted to special groups.

A check into the records of some of the publishers that are receiving large subsidies might disclose that their profits run into millions of dollars annually and it is not unusual to find some of the publishers and editors receiving annual salaries of 75 to 90 thousands of dollars. In my opinion the time is overdue to increase postal rates and eliminate a half billion dollar annual subsidy going to some of the largest and wealthiest enterprises in America. I am sure this committee will agree that the publishers of books, magazines, and newspapers are in business for a profit and when we increase postal rates they will, of necessity, adjust their rates and operations to absorb the postal increase. For the first time they will take their rightful place in our highly competitive and interesting free enterprise system without the benefit of this subsidy.

Some statement has been made relative to the postal operations of Great Britain. The Postmaster General will tell you that if the Congress will enact laws permitting him to operate the United States Postal Service on the same system that Great Britain operates, he will give the postal patrons five mail deliveries daily and still operate the Department with a handsome profit.

The gentleman from Minnesota [Mr. H. CARL ANDERSEN] made a statement a moment ago about the increased appropriation recommended for the fiscal year 1952. Mr. Bruce was asked in the hearings the number of city delivery extensions that are contemplated. Mr. Bruce said:

We do not have them that way; I have no record of that. I do know that since July 1 up to date we have made what we might call approximately 1,000,000 extensions; that is dependent on the definition of what the term "extension" is in rural routes and districts each mile being a unit we have extended suitable service to a million new homes.

Since July 1 of last year it must also be borne in mind that there has been an increase of approximately 4 percent in the volume of mail, and that accounts for the increased appropriation. We reduced the appropriation last year, but the Post Office Department came back this year and requested funds which exceeded the amount by which the committee reduced the appropriation last year because they are operating according to laws passed by the Congress and there is no earthly way that they can absorb any substantial cuts over and above what the committee has recommended.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. H. CARL ANDERSEN. The point of my question addressed to the gentleman from New Jersey was to the effect that while large savings have been claimed as a result of the changes instituted by the Postmaster General in his reduction order, yet here we are faced with an appropriation bill carrying a request for about \$83,000,000 more than 1951 for the Post Office Department. Suppose the savings effected by the Postmaster General have amounted to \$50,000,000. If that is the case, then in reality the Post Office Department is requesting \$135,000,000 more from the Congress for fiscal year 1952 than it had available for fiscal year 1951.

Mr. PASSMAN. The gentleman understands that the Post Office Department presents their estimate. They try to estimate the number of pieces of mail that will be handled during any particular year. In submitting their justification and estimates for the fiscal year 1951 they underestimated the number of pieces of mail they would handle by about 1,500,000,000 pieces of mail. That is why we had a request for an additional appropriation. It was on account of the tremendous increase in the amount of mail handled.

Mr. H. CARL ANDERSEN. I know that the entire premise of this request for additional funds is based on the 3.77 percent anticipated increase in mail. In my small home town there is

no additional expense in the post office for handling 3 percent more mail than they did the preceding year. We do not put on any additional clerks. How can the gentleman justify using the same curve of increase as far as volume is concerned and applying that as a yardstick as to what should be necessary as far as expense is concerned?

Mr. PASSMAN. Because the Post Office Department has been anticipating a decrease in the volume of mail, or they thought it would at least level off, they have been missing their estimates for the past 7 or 8 years. I think the chairman established that in his statement. Almost every year the increase has been greater than what they estimate in the beginning.

I shall be very happy to furnish the gentleman with information and I think he will be convinced beyond any reasonable doubt that by reducing the mail delivery in residential sections to one a day we did effect a substantial saving.

Mr. H. CARL ANDERSEN. It will take an awful lot of convincing.

Mr. PASSMAN. I will be happy to go to that trouble. I will be very happy to do a lot of convincing. If the gentleman will furnish me the time I will furnish him with the information. May I say that if you can have two deliveries as cheaply as one, you can have three as cheaply as two and four as cheaply as three. We do know that it costs less money to make one mail delivery daily than it costs to have two mail deliveries daily.

Mr. DAVIS of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Wisconsin.

Mr. DAVIS of Wisconsin. I notice in the hearings there is considerable discussion about the establishment of a new money-order accounting system with transfer of personnel from the General Accounting Office. The discussion shows that a considerable amount of new equipment is to be installed to do the job, yet the testimony also shows quite definitely the statement that nobody will lose his job. Can the gentleman reconcile that testimony?

Mr. PASSMAN. That is a very good question and I shall answer it in part and hope my chairman will pick up at that point.

At this particular time there is the postal money order and the postal note. You can buy either at any post office. It is my understanding they are consolidating the service into the one item the gentleman referred to in the hearings. I did not read that part of the testimony where it was stated they would not reduce the personnel for this improved service.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. GARY. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. PASSMAN. Mr. Chairman, something has been said about a language change in this bill, giving the Postmaster General authority to determine what mode of transportation would be most satisfactory and most economical. I

would like to direct the committee's attention to a question on page 19 asked by the gentleman from Virginia [Mr. GARY] as follows:

Do you know of any reason why you should not be given the right to determine what mode of transportation you should use in the transportation of mail?

Mr. DONALDSON. I think a general law to the effect that the Postmaster General had authority to avail himself, or the Department avail itself, of any mode of transportation would be a great expeditor of the mails and probably more economical. I think some such law should be passed.

It has been brought out in the hearings that we have four helicopters operating in Los Angeles, five in Chicago, a total of nine, and some claim they contribute very much to national defense. This is not substantiated by facts. I would like to point out to the committee that we have approximately 21,000 aircraft in all branches of military service, doubtless hundreds of them helicopters. I do not believe it can be justified that nine helicopters in the postal service are contributing so largely to the national defense when you take into account the tremendous amount of money it is costing the Department to operate that super-duper service. I think the committee should know that even in Los Angeles the helicopters are only handling approximately 33 percent of the mail to and from the airport. In Chicago it is only handling 25 percent of the total mail to and from the airport. I think you should bear that in mind in considering the rider to the bill under discussion.

May I also state that there is an application pending for the same service for New York. This demand is going to spread all over the country the same as did your post-office mail trucks that we have on the road. Once you get this started, in my opinion there will be no way of stopping it.

The CHAIRMAN. The time of the gentleman from Louisiana has again expired.

(Mr. PASSMAN asked and was given permission to revise and extend his remarks.)

Mr. CANFIELD. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Mr. Chairman, this is the first of a series of appropriation bills to come before the House this session. I should like to avail myself of this opportunity to impress upon Members the importance of their presence during the consideration of these respective bills. In my view, these appropriation bills are as important as any of the defense measures, for our first line of defense is the country's fiscal situation.

We cannot continue this suicide policy of deficit spending. Our people are already overburdened with high and still higher prices, with heavy and still heavier taxes, caused by excessive Government spending. At this very moment the Ways and Means Committee is struggling with the problem of raising additional revenue. At this very mo-

ment we are faced with extraordinary defense demands which may be even greater in the unforeseeable future.

It is imperative that we scrutinize every item of expenditure in each and every appropriation bill. It is imperative that we cut nondefense expenditures to the bone. Our people demand this of us. Our country's survival requires it.

As these various appropriation bills come before us we will find places where we can economize, and amendments will be offered to make the reductions. I am appealing to the Members who really believe in economy to be present on the floor to vote for economy amendments. In my capacity of Republican whip I personally intend to do everything I can to that end, and I am confident that when these appropriation bills are read for amendment you will find this side of the aisle standing almost as a man in support of those amendments that will accomplish savings. But we are in the minority. We will require some help from the economy-minded Members on the other side of the aisle, and I likewise address my appeal to you to be present and voting for economy.

I well, and rather regretfully, recall that when we had the omnibus appropriations bill before us last year several important amendments, which would have resulted in economy, were lost by a margin of a few votes. Some of our friends on the other side of the aisle deserted us. In fact, some of those who in general debate spoke so brilliantly about the need for economy even voted against us. It is easy to give speeches for economy, but the test comes when the votes are taken.

Insofar as the pending bill is concerned, there are very few places where we might make additional savings. Some of the major items in the bill are fixed expenditures, such as interest on the public debt, and appropriations to trust funds. But every dollar saved is a dollar gained. A dollar saved here and a dollar there, some in this appropriation bill and some in others to follow, all accumulate to make a substantial sum.

May this be the beginning of a great economy drive. May we have a good attendance when each appropriation bill comes up, and may we have votes for economy.

Mr. CANFIELD. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, I have listened with a great deal of interest to the members of this subcommittee who have spoken on the subject of the legislative rider that has been placed in the bill on page 15, lines 12 to 18, inclusive, and which reads as follows:

Notwithstanding any other provision of law, no part of any funds appropriated to the Post Office Department shall hereafter be used for the transportation (within the continental limits of the United States) of mail over any route or by any means which the Postmaster General determines to be more costly than other available and equally satisfactory routes or means.

Now, all that language does, in effect, is to repeal a large part of the Civil Aeronautics Act and a portion of the Interstate Commerce Act. Under both of those acts the respective Commissions have the power to grant certificates for the carriage of mail and determine mail-pay compensation, that is, directs the payment of compensation for the carriage of those mails. It has been said here that the amendment is intended to affect principally helicopter service between airports and downtown post offices. I would like to know why the committee did not use language referring to that subject alone, and leave it at that, and let us argue on the subject of helicopters. But this is all-inclusive. It would include all of the air routes over the United States and all of the railroad routes over the United States. It would mean that the Postmaster General would be the one who would determine whether the mails would be carried on these routes or by some other means which he believed to be equally satisfactory.

Let us take a look at that situation. We designed the Civil Aeronautics Act and the Interstate Commerce Act many years ago. But particularly the Civil Aeronautics Act was designed to provide for the development of civil aviation for the carrying of the mails and the commerce of the United States and in aid of the national defense.

One of the things we are trying to do as hard as we can these days is to build up the number of aircraft that are being used and useful in the commerce of the United States. I point out to you that if it were not for these aircraft, where would we have been on the Berlin airlift and where would we have been on the Tokyo airlift? Our need is for as many commercial aircraft in operation as we can have in the air for that purpose, if for no other.

As a matter of fact, if anyone can conceive of a cheaper way, over-all, for the Government of the United States to provide itself with that airlift which it may need in time of emergency by having those aircraft engaged in business which is used and useful in the public service, in commerce, if you please, in time of peace, then I would like to know what it is, because if you do not have them in commerce, then you must have them in the National Defense Establishment, where they serve only the purpose of carrying whatever passengers and goods the National Defense Establishment has to carry from place to place and at a total expense to the taxpayers.

That is the reason why we put "for the national defense" in the language of the Civil Aeronautics Act. That is the reason we are doing our utmost in the Committee on Interstate and Foreign Commerce to expand, not to contract, the civil air commerce of the United States. We must have those airplanes available in time of need, as we have on these two, yes, three occasions, actually; because in World War II one-half of all of the commercial aircraft engaged in commercial operation—I am speaking now in terms of numbers, not in lift—were taken out of the commercial air-

lines and put into the business of hauling men and materials for the Armed Forces of the United States.

Do you think the United States should own these 700 airplanes that are today engaged in the commerce of the United States and pay for their maintenance and upkeep out of the defense establishment appropriation bills? No. Many would have to sit on the ground idle. They would be a very great expense. So we put them in the use of commerce, where they can pay their way as far as possible in time of peace, so that they may be available to the people and to the armed services in time of emergency. That is reasonable, that is logical, that is over-all economy in the Government of the United States.

Mr. CRUMPACKER. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Indiana.

Mr. CRUMPACKER. Does the gentleman know how many cargo-type planes were bought for the military during World War II, for their use during the war?

Mr. HINSHAW. Yes. There were approximately 8,000 DC-3 types; that is the C-47, most of which were delivered after 1942.

Mr. CRUMPACKER. How many C-54's?

Mr. HINSHAW. I cannot just say exactly, but it was a large number.

Mr. CRUMPACKER. How many were contributed by the airlines at the start of the war? I am referring to that "one-half" of which the gentleman has spoken.

Mr. HINSHAW. They were there available and ready when the need came right after Pearl Harbor. I believe the number is 157 that were actually turned over in the beginning. They were not in existence in the Military Establishment at the time the commercial aircraft were turned over to the military.

Mr. CRUMPACKER. I thank the gentleman.

Mr. HINSHAW. As a matter of fact, I should like to say this, and I will say it right here on the floor. After World War II started for the United States, December 7, 1941, the Military Establishment with great lack of foresight threatened to shut down the transport aircraft production lines in the United States. It was the committee of which I happened to be a member at the time, the Air Accident Investigating Committee, that pointed out that they would absolutely have to have transport airplanes in World War II, and we prevented a shut-down of the transport aircraft production lines. If we had not prevented it, then the need which developed very shortly thereafter, only a matter of a few months, would not have been serviced for a year longer than it was actually serviced. In other words, we would not have been able to carry our goods quickly, our ammunition and materials quickly on the various worldwide war fronts to our soldiers. The thing that happened at that time which persuaded the Military Establishment in the final analysis was the German airborne attack on Crete. Then for the first time the Military Establishment

realized the high importance of the transport type of aircraft. At that point they had taken 157 that were in existence in the civil establishment but not in existence in the Military Establishment into the use of the military, and thereby saved the day. Then they suddenly wanted thousands of transport aircraft, and they wanted them day-before-yesterday.

The fact that after that point they went ahead and constructed 8,000 C-47's and quite a good number, I forget how many, of C-54's, is great proof that they needed them for the transportation of goods and personnel, arms, ammunition and equipment, in time of war. They do not have the required numbers in the military service today. Even if they did, it would be profitable to the National Defense Establishment to lease them out for commercial purposes, so that not only could they be kept in operation, in operational condition, but pilots, navigators, engineers, and so forth, would be currently trained in the use and maintenance of those aircraft and available for the national defense and its needs.

I should like to mention another fact also. I think the Committee on Appropriations has gone far beyond its scope in putting legislation like this on an appropriation bill. Actually, I think the committee should have made a further investigation.

They made a very light investigation. The gentleman from Virginia said that he investigated the Los Angeles post office. I happen to know how long the gentleman spent in Los Angeles and whom he talked to and what he did there, although I did not even know he was there until he had left and the papers announced that he was leaving. Then I tried to find out what he had accomplished while he was there. I do not think what he did was a complete investigation. I am sure the gentleman will admit that. The gentleman did not see the postmaster in the city of Los Angeles. He did not see the head of the Los Angeles Airways. He talked with some assistant on the telephone, I believe. I think that the whole story should be brought before this Committee on Appropriations as well as other committees of the House before any such rider as this is tacked onto an appropriation bill. The chairman of my Committee on Interstate and Foreign Commerce has the intention of offering an amendment to strike out this provision. I believe he will be sustained unanimously by the committee itself. I believe that the other committee which is concerned with this matter, the Committee on Post Office and Civil Service, are liable to do very much as they did last year when a similar rider came on this bill and they joined us in helping to strike it from the bill.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. GROSS. Is there not another reason why this ought to be stricken out? It would be delegating sweeping and arbitrary power to a Government agency.

Mr. HINSHAW. Absolutely. It is a delegation to the Postmaster General of

more power than is in the hands of the Civil Aeronautics Board.

Mr. DAVIS of Wisconsin. Is it any more arbitrary that the Postmaster General have authority to say that it shall not be done, and to say it is more expensive, than it is to give authority to the Civil Aeronautics Board to say that it shall be done regardless of whether it be the policy of the Postmaster General?

Mr. HINSHAW. Yes; it is; and I will tell you why. The Board is a quasi-judicial body which acts for the Congress in hearing cases and issuing certificates of convenience and necessity, and so on.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. Would the gentleman yield me five additional minutes if he is going to ask me to yield?

Mr. GARY. Yes, Mr. Chairman; I yield 5 minutes to the gentleman from California.

May I ask the gentleman from California: Who is charged with the duty of transporting mail? Is it not the Postmaster General, and if he is charged with that duty, should he not have some discretion as to the method by which he discharges the functions of his office?

Mr. HINSHAW. That is a good question. The Post Office Department, ever since the days of the pony express riders, has been pioneering in methods of transportation. The Post Office Department was given this duty in connection with air mail way back in 1918. May I point out further to the gentleman that at the end of the fiscal year 1945 the air-mail system had repaid to the Government of the United States, through the sale of stamps, which were carried by air, more money than the total subsidy ever paid to them. And they have been very inexpensive to the United States in comparison to the benefits returned. The mere fact that these airplanes are available for national defense in time of need will warrant any reasonable expenditure which is made, making up the difference between their cost of operation and their income in time of peace.

Mr. WILSON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. WILSON of Indiana. The gentleman from California just made the statement that the one-man committee investigation was not a very thorough investigation and that he did not talk to the Postmaster General, but talked to one of the assistants on the telephone.

Mr. HINSHAW. I intimated that.

Mr. WILSON of Indiana. To what gentleman do you refer. It could not be me.

Mr. HINSHAW. No.

Mr. WILSON of Indiana. Was it me?

Mr. HINSHAW. No; it was not you.

Mr. WILSON of Indiana. I made the remark in the Committee on Appropriations. The other day I was in Los Angeles. I was in the post office and with the staff of the Post Office Department there. I saw the helicopters come in and deliver the mail. I talked to them, and I have proof on the floor for it; so if the gentleman is referring to the one-man investigation which I made, and I think I made an investigation, and

that there was only one, and that I made it by telephone; I have the proof on the floor that I was there on the roof of the post office and I did talk to the authorities.

Mr. HINSHAW. You gentlemen can talk to the Post Office Department all you please and get all the information you want about the Post Office Department, but the business of transporting the mail comes under the terms of the Civil Aeronautics Act and there are other objectives in the Civil Aeronautics Act than the mere transporting of mail. I will grant you it is something which has been, in part, subsidized. I will also grant you that this Committee on Interstate and Foreign Commerce, of which I am a member, brought in a bill here last fall which was a little bit premature because it was not properly drafted, and it was improved on the floor of the House after a good many amendments, and sent over to the other body for the separation of air mail pay and subsidy. That bill provided for the separation of mail pay and subsidy.

A similar bill is before our committee at the present time, and hearings will be held on it and in due course it will be brought to the floor and that, gentlemen, is the proper time to discuss this subject, and not now. In other words, it is not the business of the Committee on Appropriations, in the minds of most of us in the House, to engage in legislative undertakings concerning subjects about which they are not thoroughly familiar. I say that with all due respect to my friends on the Appropriations Committee. There are other committees in the House, some 16, I believe, which are engaged in constant study of all the matters that come before the Committee on Appropriations, and some that do not; and I say to you that the committees charged in the House of Representatives with legislative matters are, in my mind at least, better qualified on these subjects than can you be on your committee which deals with the whole gamut, necessarily.

There was no consultation with my committee on this matter, none whatsoever; no testimony was received from anybody except the Postmaster General, and I think only five questions were asked of him and that naturally leads to a conclusion which I say with all due respect is entirely erroneous. I think you should have called the members of our committee before your subcommittee, if you please, and asked us a few questions about it; you should have called members of the Civil Aeronautics Board and listened to their suggestions, also members of the Civil Aeronautics Administration and the Military Establishment, and not merely take the word of the Postmaster General.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. GARY. I may state to the gentleman that we did have the chairman of the Civil Aeronautics Board before us.

Mr. HINSHAW. Did he favor this idea?

Mr. GARY. No; he did not.

Mr. HINSHAW. Absolutely not.

Mr. GARY. He thought that the Board should be given authority to decide how the mail should be transported and not the Postmaster General.

Mr. HINSHAW. That is not the question at all.

Mr. GARY. I wanted the gentleman to know that we did consult the chairman of the Board and consider his viewpoint.

Mr. HINSHAW. It is not a question of giving them authority; it is a question of what is right for the people of the United States.

Mr. GARY. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. POAGE. Mr. Chairman, in the last few minutes an event has occurred which seems to me to jeopardize the entire process of legislation. Under our form of government we have two Houses constituting the Congress. It is impossible to legislate unless we can have mutual respect and consideration between the two Houses. When either of the branches of Congress arrogates to itself the power to not only veto but to refuse to consider the views of the other branch of the Congress you have unicameral legislature and not the bicameral system established by our Constitution. In the 15 years I have been a Member of this House I have never observed until today either House refusing to grant to the other the opportunity to discuss a problem concerning which the Houses were at difference.

Within the last hour a message came to this House from another part of the building in which it was stated that another body was determined to insist on its amendments to H. R. 2615. That body had a perfect right to insist on its amendments, but it went further and refused to appoint conferees to discuss with this House the differences involved in the legislation.

It goes back, Mr. Chairman, to the discussion on the floor of another body on yesterday when the distinguished gentleman who was there in charge of legislation involving H. R. 2615 said:

Furthermore, I may say that the committee that had this in charge have decided that this is as far as they wish to go and therefore do not desire or intend to ask for the appointment of conferees but let the matter rest on the bill as reported to the Senate by the committee.

May I submit in all candor that if we have reached a stage where any Member of either House has the power to say, "I forbid my colleagues from discussing with those in the other body the questions at issue," there can no longer be any opportunity to work out legislation between the two Houses. I think I am well advised that this action reflects the views and wishes of one man, not the considered wish of the majority of the other body. In this case it means that this body must accept the views and the will of one Member of another body who

lives in a State that is only incidentally involved by the legislation and who simply says, "Under the practice of this body I may not be a member of the conference, so I will not allow any conferees to be appointed."

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. COOLEY. Is it not a fact that one of the most important provisions of the bill passed by the House sought to correct an inequity which was corrected by both Houses of Congress for the year 1950 and which the House sought to correct in the year 1951?

Mr. POAGE. It is not only true, but the gentleman who had charge of the legislation in the other body stated that it was to correct an injustice heretofore existing; and then he said that the Senate reduces the correction by about one-half; in other words, they corrected half of the inequity that they recognized existed but decided that this was as far as they cared to go.

But I am not raising the question of the merits of the specific legislation before the House; I submit that the necessity of courtesy between the Houses applies to all legislation, and if we allow any one man, even though he may have been Secretary of Agriculture, to say that he and he alone is going to keep another body of the Congress from even considering the views of this body and to keep the body to which he belongs from even consulting with us, or from appointing conferees—if he or any man is to have such power, and if he or any man, even though he be a Member of a great deliberative body, is to use such power in such an impolite and arrogant manner, we might as well move sine die adjournment.

If we are to let one man speak for the entire other body, or if a majority of that body should actually hold this House in the contempt which this message has indicated, we must either retaliate or abdicate. I do not believe that this insult was intended by the great majority of the other body. I invite them to show their good will by reconsidering their action.

Mr. COOLEY. If this stands as a precedent, it actually amounts to a breakdown of the legislative machinery, does it not?

Mr. POAGE. That is exactly what it amounts to.

Mr. COOLEY. It is an insult to this House and an outrage to the traditions of the Congress?

Mr. POAGE. It is indeed. But until I am shown that I am wrong, I prefer to look upon it as the act of one or two individuals, rather than the considered views of the other body.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. CANFIELD. Mr. Chairman, I yield 20 minutes to the gentleman from Indiana [Mr. WILSON].

Mr. WILSON of Indiana. Mr. Chairman, I want to direct the first part of my remarks to a controversial issue, namely, the use of helicopters in the dispatching of mail in certain cities. I want to say, first, that I have observed

this operation first hand. I have talked with conscientious postal authorities on this proposition, and they contend that there is very little, if any, saving in time in the dispatching of mail by helicopter from the airport to the post office. The distinguished ranking minority member of my subcommittee made the remark earlier in the day that he had called the postmaster in Chicago and also the postmaster in Los Angeles and that those postmasters have assured him it would take approximately a half day longer to dispatch the mail to certain places if the helicopter were left out. If that is true, the quicker we can get rid of those postmasters the better off this country is going to be, not to mention the cities of Chicago and Los Angeles.

I arrived in Chicago on December 16 last year about 2 hours late for a very important meeting. I walked out and got into a cab and asked the cab driver how long it would take him to get me to the Stevens Hotel. He said "20 or possibly 30 minutes." I said, "You cannot do it." He said, "Yes; I can do it; that is my regular time." Twenty minutes later we were in the Stevens Hotel.

A couple of years ago I attended a baseball game in the city of Chicago. After that game I left for my home in southern Indiana, 200 miles away, arriving at my home without having to turn on the lights of my automobile. Yet we are asked to believe that it takes a half day to dispatch mail from the airport to the post office or some other post office within the jurisdiction of that postmaster.

I was in Santa Barbara, Calif., some time ago, and I had to catch a plane out of Los Angeles. I asked my host how long it would take him to drive me to Los Angeles. He said, "Oh, about an hour and 45 minutes." I said, "Let us take 2 hours." We left Santa Barbara, 97 miles north of Los Angeles, and reached the airport in exactly 1 hour and 55 minutes.

What is wrong with the postmaster in Los Angeles if it takes a half day by any other means than helicopter to get the mail from the airport to the post office? What is the matter with the postmaster in Chicago if I can leave a baseball game in Chicago in the afternoon at the close of nine innings and drive to Bedford, Ind., 200 miles south and get there before dark? What is wrong with the postmaster in Chicago when he cannot get the mail from the airport to the post office in less than a half day by any other means than the helicopter?

We talk about economizing. Let us do it; it is important. I have listened to these pseudoeconomists preach economy from the floor of this House, yet I have seen many of them fail to practice the same philosophy on the floor of this House.

I want to get back to the text of the remarks I have prepared for this afternoon.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. WILSON of Indiana. I yield to the gentleman from Arkansas.

Mr. HARRIS. Did the Postmaster General approve the use of helicopters for the Los Angeles operation?

Mr. WILSON of Indiana. I believe it was the Assistant Postmaster General who was before our committee.

Mr. HARRIS. I mean in the contract for the use of helicopter service and the delivery of mail from the airport to the post office in Los Angeles.

Mr. WILSON of Indiana. He was more or less indifferent.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. WILSON of Indiana. I yield to the gentleman from Minnesota.

Mr. O'HARA. Can the gentleman tell me whether there were any hearings upon this question printed in the proceedings?

Mr. WILSON of Indiana. Yes, but whether they were on the record or off the record, I do not remember. We did have hearings. I believe it was the Assistant Postmaster General who was present to testify on this particular point; but whether or not we had a stenographer to take down those hearings, I do not recall. However, I can tell you exactly the question I directed to the Assistant Postmaster General and I can tell you exactly what his answer was. I asked, "We can deliver the mail with practically the same expediency with existing facilities at little or no extra cost?"

I concluded from the testimony as we interrogated him further, that we would save approximately \$300,000 out of the \$360,000.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. WILSON of Indiana. I yield to the gentleman from Louisiana.

Mr. PASSMAN. I refer the gentleman to the 1950 hearings on the deficiency appropriation bill, on page 424, where you will discover that we did hold hearings on the helicopter service.

Mr. WILSON of Indiana. Of course I was not on the committee at that time. I am referring to this session, since I have been on the committee. I interrogated the gentleman, and I quoted almost exactly what he told us. Some people speak for the record. I am not interested in the record; I am interested in accomplishing what economy I can for the people of the United States. As far as window dressing for home consumption, I am not interested in that.

As a member of the Post Office and Treasury Subcommittee of the House Committee on Appropriations, I have been checking thoroughly requests for money by the Post Office Department. It is a generally known and somewhat shameful truth that the Post Office Department has operated at a great deficit for a long time. Everyone is aware that the Government subsidizes the airlines to a compensating extent for handling air mail letters and packages. However, the deficits about which I am most concerned are above any subsidy figures as we have dealt with them in the past.

There is no question that the Post Office Department renders a great deal more service than is paid for by its users. Certain postal users have been subsidized by the taxpayers for far too many years. I realize that my remarks will tread on the tender toes of many large businesses and publishing houses. However, I be-

lieve it is more honest to charge these users of the mails exactly what it costs to serve them and to relieve the taxpayers of an unfair imposition at a time when they are more than overburdened with defense costs. The Post Office Department estimates that its 1952 income will be approximately \$1,840,000,000, its expenses—estimated at present cost levels—will be at least \$2,361,000,000. This leaves an obvious deficit of \$521,000,000. This is a minimum estimate which will be greater if the airlines are granted an increase for carrying air mails and if the Interstate Commerce Commission grants an increase to the railroads for the same services. I repeat, it is an indefensible position for your Government to ask that tax subsidies be paid to large manufacturers and our leading advertisers in this country. In this time of unheard-of prosperity, such businesses can well afford to pay their own way, and in spite of staggering taxes, they should be able to manage since this increased cost is certainly a deductible business expense.

Our first-class mail pays its own way, which means that every 3-cent stamp you buy carries its own weight in the Post Office Department. I am sorry to report that no other class of mail does. Second-class mail is an especially expensive operation for your Post Office Department. Second-class mail is mainly made up of newspapers and magazines, and most certainly I have no criticism of the kind of educational information these two organs dispense. However, the advertising which such mailing pieces contain should not be carried as a matter of education to our people. Therefore, increased postage costs should be passed along by publishers to those who advertise to the American people, special consideration to be given, of course, to strictly educational and news-service carriers.

Third-class mail, composed almost entirely of circulars and advertising matter, falls far short of paying its own way. These two classes of mail account for \$300,000,000 of the better than half a billion deficit the post office expects to tally in the fiscal year 1952.

Since salaries and transportation expenses make up some 96 percent of the cost of handling the mail and since these two items have risen meteorically since the end of World War II, it seems obvious that adjustments in postal rates are mandatory.

It costs a billion dollars more to serve this country through the Post Office Department than it cost in 1945. This represents more than a 100-percent increase in mail costs in 5 years. The average cost of postal service per operation has increased nearly 60 percent. The average increase in revenue for operation is only 5½ percent. The disparity is obvious, the problem is pressing, and the time is certainly now. If we mean it when we speak about pay-as-you-go plans, then we must work to make each operation a pay-as-you-go operation. Otherwise, we shall wind up each year with larger and larger deficits, a greater national debt, and a cheaper American dollar.

The No. 1 recommendation of the Postmaster General is to raise postcard

rates from 1 to 2 cents. This is not as radical a change as one might think, since it costs 2.8 cents to handle a postcard, more than 95 percent of which are strictly advertising.

Newspapers and magazines have generally doubled and often tripled their subscription rates since the end of World War II. Does it not strike you as incongruous that the mail rates they pay for delivery of their publications were set up in 1879? It seems highly unreasonable to gear all other phases of the merchandising business to 1951 cost ratios and leave the price of a stamp for carrying it to the consumer 70 years behind the times.

At the very least, some increase of the second-class mail rates would seem to be warranted. Such action would bring in several million additional dollars of revenue.

Ten billion pieces of third-class mail—circulars and advertising pieces—will go through America's post offices in 1952. Estimated costs for handling these pieces will be about \$271,000,000. This leaves a not inconsiderable deficit of \$173,000,000.

Fourth-class mail—parcel post—has always operated at a deficit, too. However, the main inequities will most likely be adjusted if proposals now before the Interstate Commerce Commission are approved.

In addition to the carrying of mail, the United States Post Office Department performs certain services for the people, such as registry of mail and packages, insurance, c. o. d. deliveries, and special deliveries. Loss on services alone is estimated at about \$29,000,000 for the coming fiscal year. It seems not unfair to ask that increases in the cost of such services would warrant increases in the rate for such services, at least sufficient to cover the expected deficit. Perhaps a sliding scale of rate ratios to costs should be established. Perhaps changes in the rates for these services should be made more often.

Since recent budget requests were based on the likelihood of many of the above adjustments being made, it is with regret that I must advise that unless something is done, it will be necessary to raise taxes even more than they are at present estimated.

Any Federal service which touches the people is a very touchy subject for a Member of Congress to mention. However, my record has been built on my determination that your Federal Government owed honesty to the people it governs, and I cannot with a clear conscience sanction the robbing of Peter to pay Paul. I realize that when the taxes to cover post-office deficits are removed from the people, that the cost of the advertisers' products will probably bear the increase. However, this seems a more honest way to operate, and at least it relieves from this charge those people who do not buy the advertiser's wares.

Mr. CANFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, we are today debating the approval of a Post Office appropriation bill in the amount of \$2,335,000,000, nearly \$83,000,000 more than was appropriated for the Post Office Department in 1951, despite drastically curtailed service to the people. It would appear that the making available of such an enormous amount of money for the carrying on of the postal service should provide satisfactory and expeditious postal service for all our people, yet I predict that next year, the same as this year, errors in judgment, poor management and procedures will be blamed upon a lack of appropriations.

Many of you, I am sure, like myself, have received complaints from your constituents with regard to poor mail delivery and unusual delays, particularly in what the Department chooses to call nonpriority mail. The Postmaster General, in his order of April 17, 1950, decreed that there should be certain restrictions placed upon the handling of third class mail. There is nothing in these restrictions which should delay delivery of third class mail more than one day, yet we find delays in the delivery of third class mail ranging up to several weeks.

Also, we find that procedures have been established under the guise of economies which not only cause great delays in the delivery of these nonpriority mails but actually are more expensive.

I have received a letter from the circulation manager of the Des Moines Register, Mr. E. P. Schwartz, in which he points out the length of time it took for parcels of mail to be delivered at points comparatively close to Des Moines. Here is his letter:

THE DES MOINES REGISTER AND TRIBUNE,
Des Moines, Iowa, March 13, 1951.
Congressman H. R. GROSS,
House Office Building,
Washington, D. C.

DEAR MR. GROSS: With the proposal before your committee to increase second-class and third-class postage rates, I thought you would be interested in an experience we had this week on delivery of third-class mail.

Last Tuesday, March 6, we delivered a lot of third-class mail to the Des Moines post office by our own truck, about 7 p. m. In this mail were 180 pieces in large 9 by 12 envelopes, mailed third-class postage to individual Sunday Register carriers in Rock Island, Ill. Up to Saturday, March 10, this mail had not yet reached our carriers.

The manager of our agency there called the post office and talked to the superintendent of mails Saturday afternoon, March 10, to see if the mail had reached there and why it had not been distributed.

The Rock Island superintendent of mails told him that mail sent from Des Moines third class was not routed direct to Rock Island but instead was routed to the Chicago terminal, and worked out of there to the different points of destination in Illinois, and that this process takes anywhere from 4 to 6 days.

Rock Island, Ill., as you know, is approximately 180 miles from Des Moines, and just halfway to Chicago. Here is a case where 180 pieces of third-class mail would be hauled three times its normal distance to Chicago and back to Rock Island, a total of 540 miles of railroad transportation, when it could have been dumped off at Rock Island on a direct line from Des Moines with only 180 miles of railroad transportation.

The Post Office Department may have an argument in favor of central terminals for dispatching mail. But when it comes to speed of delivery or efficiency of handling, or cost of handling, it occurs to me that the system needs revision. Certainly that kind of mail delivery does not warrant doubling the postal rates if the service is going to be no better.

Not long ago we had a similar experience with mail for our carriers at Kirksville, Mo. And we found in that case that the mail for Kirksville, instead of being dropped off the Wabash train on its through trip, was carried down to St. Louis—again a distance of approximately 360 to 380 miles—run through the big terminal post office at St. Louis, and then brought back to Kirksville—making three times as much mileage haul by railway mail cars as would be required if it were dropped off on the south-bound trip. Kirksville, Mo., for your information, is on a direct line of the Wabash between Des Moines and St. Louis.

One of our carriers at Carthage, Ill., which is about 14 miles from Keokuk, Iowa, reports that third class mail addressed to him from Des Moines on February 8 arrived on March 10—1 month and 2 days later. Again this mail was probably routed by way of Chicago and hauled at least three times as far by rail and worked through a post office in a large city, where labor costs are much higher than they would be in almost any town in Iowa, and as a result was tremendously delayed.

Yesterday, March 12, one of our circulation executives received a piece of third class mail that was mailed on February 22 at Dowagiac, Mich., requiring 2 weeks and 5 days to reach him from that distance.

It seems to me the terminal system of post office distribution of third-class mail needs investigation from the standpoint of efficiency and high cost of operation. With the railroads wanting more pay for hauling mail, it is not efficiency or economy to haul mail three times the necessary distance to reach destination.

I pass on this information to your for whatever it may be worth to you.

Very truly yours,

E. P. SCHWARTZ,
Circulation Manager.

Mr. Chairman, this circuitous routing instead of saving money actually costs more money because we are required to pay for transportation on the basis of the number of miles the mail is carried.

Because of the high standing of the man who made this analysis of third-class mail delivery and because the Post Office Department has a habit of blaming delays on lack of appropriations I have placed this letter in the RECORD so that the Members of the House may have the benefit of its contents and so that it may be pointed out in connection with the Post Office Department's appropriation bill that delays are occasioned by poor procedures more often than by curtailment as a result of lack of appropriations.

I emphasize again that \$2,335,500,000 should be adequate to give the people of the United States good postal service if the affairs of the Department are properly directed.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. PASSMAN. Does the gentleman realize that the Post Office Department handles approximately 50 billion pieces of mail? I understand it is a very rare

thing for extreme delays to occur in the handling of the mail.

Mr. GROSS. I am not saying that this mail went there through mistake; I say it was deliberately routed the way it was.

Mr. PASSMAN. Is the gentleman referring to the rule or to the rare exception when he speaks about delays in third-class mail deliveries? We have not received complaints of that kind.

Mr. GROSS. I am referring to what I suspect to be the rule in the handling of third-class mail throughout the Nation.

Mr. PASSMAN. In a rural area or a particular locality, but the gentleman is not speaking of mail delivery nationally, is he?

Mr. GROSS. Yes.

Mr. PASSMAN. I do not find it present and I just wondered if the gentleman would not be very happy to follow up the information by sending this committee further evidence that the condition prevails on a national basis, for it is a situation that cannot be allowed to exist. If the gentleman will read the testimony of Postmaster General Donaldson I think he will find that such complaints are the exception and not the rule.

Mr. GROSS. I do not agree with the gentleman, and I would point out that as a member of the House Post Office and Civil Service Committee we hear from users of the mail and weigh their experience and evidence with the statements of the Postmaster General.

Mr. GARY. Mr. Chairman, there are no further requests for time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

OFFICE OF THE SECRETARY
SALARIES AND EXPENSES

For necessary expenses in the Office of the Secretary, including the bookbindery; the operation and maintenance of the Treasury Building and Annex thereof; and the purchase of uniforms for elevator operators; \$2,648,000.

Mr. DAVIS of Georgia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Georgia: Page 2, line 6, strike out "\$2,648,000" and insert "\$2,400,000."

Mr. DAVIS of Georgia. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. DAVIS of Georgia. Mr. Chairman, one of the crying needs today is to eliminate unnecessary employees from the Federal payroll. In 1929 the total number of Federal employees was 559,000. By 1940 the number of civilian employees had almost doubled, being 1,014,000. In December 1950 the number had increased to 2,027,787. The people of this country facing the staggering new taxes which are threatened are looking now to Congress to make every effort to eliminate unnecessary Federal employees; and this being the first appropriation bill to come be-

fore this Congress, in my opinion, now is the time to begin to whittle and to reduce these unnecessary Federal employees.

We have under consideration at the moment the Treasury Department. The Treasury Department has had its share, as have other governmental departments, of the increase in Federal employment since 1940. In 1940 in the Treasury Department there were 56,143 employees, but in 1950 that number had increased to 89,298.

Mr. Chairman, this amendment is directed to the figures on line 6 of page 2 of the bill, and would reduce the item from \$2,648,000 to \$2,400,000, a reduction of \$248,000, or a little less than 10 percent.

This item is covered in the committee hearings beginning on page 366. A look at the table at the bottom of page 366 would indicate at first glance that there has been a reduction of \$163,500 in the amount requested by the agency. A closer look, however, shows that such was not the case.

What first looks like a reduction in the amount asked turns out to be a series of transfers which are listed at the bottom of page 367, totaling \$205,902. Turning over to the top of page 368 of the hearings, we see in the first paragraph that this item, instead of calling for a decrease of \$163,500, actually calls for an increase of \$42,402. From this the committee has cut \$36,000.

My amendment will make a further reduction of \$248,000, which I think is reasonable and fair.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield for a question?

Mr. DAVIS of Georgia. I yield for a brief question.

Mr. NICHOLSON. How many employees have left the service since the last appropriation bill was passed? How many fewer employees are there in the Postal Department?

Mr. DAVIS of Georgia. I am not referring to the postal department. I am referring to the office of the Secretary of the Treasury.

In the Eighty-first Congress Chairman TOM MURRAY of the House Post Office and Civil Service Committee appointed a subcommittee to investigate overstaffing in the executive departments and agencies. This subcommittee was known as the Williams subcommittee, and I was a member of it. The subcommittee investigated the Treasury Department as part III of its investigation of overstaffing in the executive departments and agencies.

A number of recommendations were made looking toward more effective utilization of employees of the Treasury Department, and looking toward economy and efficiency.

A copy of the subcommittee's report was furnished to the Secretary of the Treasury, who was invited to make such reply as he deemed proper.

In his reply, the Secretary kicked like a bay steer at the suggested reductions and other moves toward economy. His reply was printed beginning on page 167 of the summary report of the Williams subcommittee dated January 1, 1951,

and known as part VI. In paragraph 3 of the Secretary's letter printed on page 168 he complained that the Williams subcommittee recommended a reduction of 1,575 employees in the fiscal service without furnishing any reconcilable information as to where the cut could be applied. He further stated that what appeared to be definite statements in the Williams subcommittee report simply had no basis in fact when assignments of responsibilities and functions are subjected to orderly analysis. That statement was made notwithstanding the fact that on page 92 of the Williams subcommittee report a table was printed in detail showing exactly where the 1,575 employees reduction could be effected.

While the effect of the Secretary's reply was that there was no basis in fact for the suggested reductions, and that none could be made, nevertheless there was attached to his letter, as a part thereof, a report from the fiscal service, headed by Mr. Edward F. Bartelt, Fiscal Assistant Secretary of the Treasury, printed on page 185 of the summary report, in which the statement is made that there were already 381 fewer employees in the three bureaus of the fiscal service than there were at the time the Williams subcommittee report was made.

This strange statement actually accompanied the report of the Secretary of the Treasury wherein the position was taken that the Williams subcommittee was all wet, and that actually no reductions in personnel could be effected.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from Georgia.

Mr. COX. I have a friend for whom I have deep respect and in whom I have great confidence who has been doing personnel work all his life for big companies and for the Government. He is generally known as an efficiency man. He said to me that in the Treasury Department there was a greater waste of manpower than perhaps in any other department. He said that in one particular branch alone there were 2,500 people employed; that he surveyed the situation and that it was his considered judgment the service could be improved by dismissal of 2,000 of the 2,500.

Mr. DAVIS of Georgia. I thank the distinguished gentleman from Georgia for his remarks.

The statement of the Secretary of the Treasury also was accompanied by an exhibit from the Bureau of the Public Debt, under Mr. Edwin L. Kilby, Commissioner of Public Debt, which in the face of the Secretary of the Treasury's statement that the recommended reductions of the Williams subcommittee were not practical or feasible, made the also strange statement that at the time his report was written, there were 85 fewer employees in the Bureau than there were at the time the Williams subcommittee recommendation was made.

Thus we have on the one hand the Secretary of the Treasury emphatically stating that no reductions could be made, while actually accompanying his report is a statement from the Fiscal Service pointing out that 381 employees have

been eliminated, and another statement from the Bureau of the Public Debt pointing out that 85 employees had been dropped from that Department.

This seems to point up the fact that when reductions are recommended, and when economies are sought, the first reaction is to yell, "We have already cut to the bone. We cannot cut any more." While that yell was actually going up in this case, somebody slipped up somewhere, and actually dropped 466 persons from the payroll while the strenuous protest was being made that none could be dropped whatever.

It was in the Treasury Department also that the Williams subcommittee disclosed the information that in the purchase order department of the Treasury the employees engaged in issuing purchase orders were issuing a daily average of two orders each, at an average cost per order of \$7.06, and that of all the purchase orders issued, 40 percent of them were for items costing under \$20.

The Williams subcommittee also unearthed the fact that of the employees engaged in personnel work, the personnel employees of the Treasury Department had the highest average annual salary rate of any personnel office in the entire survey of the Williams subcommittee. In that connection, the normal average salary for personnel workers is approximately \$4,000, while the average salary for personnel workers in the Treasury Department is \$6,118.

The Williams subcommittee investigation also disclosed the fact that the employees of the Treasury Department had the highest amount of leave or the highest leave rate of any agency surveyed by the Williams subcommittee, the figure being 37.7 days average leave taken per employee in the Department. This is shown in table 10 on page 155 of part VI of the Williams subcommittee report.

The reduction which I am proposing by this amendment of \$248,000 would mean a reduction of approximately 35 to 40 people, and whereas the request is made for 551 employees in the office of the Secretary, the adoption of this amendment would leave them with 511 to 516. This includes the chauffeurs and personnel in the Office of Administrative Services, including those who write the purchase orders. The cost of the Office of Administrative Services is \$1,185,000, which is the largest single item in this paragraph.

In my opinion such a reduction could be made without impairing the efficiency of the office at all.

Mr. GARY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment is directed at one of the most economy-minded officials of the Federal Government. Our committee has had the fullest cooperation from the Secretary of the Treasury in all of our efforts to bring about economies within the Department.

I will say to the gentleman from Georgia that not only have three-hundred-and-some men been stricken from the rolls in the Department, but the facts are that in the Bureau of Internal Revenue alone, because of the better man-

agement procedure which has been installed there, they are today saving approximately 1,000,000 man-hours a year in that one Bureau. The office of the Secretary of the Treasury includes certain other functions this year which heretofore have been in separate appropriations. The item now includes the salaries of the Office of the Secretary of the Treasury; salaries of the Office of the General Counsel; the health service program, which is the first-aid program in the Treasury buildings; salaries of the Office of Administrative Services; and miscellaneous expense.

The Secretary of the Treasury is responsible for the formulation of tax and fiscal policy. Nothing could be much more important than that function at this time. He is also responsible for the management of the public debt; the general management of the department, which includes the departmental budgetary, personnel, and administrative management programs; the successful administration and management of all the programs which the Treasury undertakes.

It seems to me it is false economy to slash the appropriations of the man who is charged with program management and is responsible for efficient and economical administration.

The committee allowed, as has been stated, approximately \$6,000 more for 1952 than was allowed for 1951, and this in the face of the showing of an increased workload. Frankly, I would not undertake to say that this department would go to wrack and ruin if this amendment were adopted, but I do say that you are taking a chance of impairing the administration of the Treasury Department if you adopt the proposed amendment. The committee has already cut \$36,000 from their requested appropriations. I think to go further might be dangerous.

Mr. TABER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have been spending my time the last 2 weeks listening to the hearings on the special emergency agencies of the Government like price control and all that sort of thing, and materials control. The basis of their remarks is that it is absolutely impossible to stop inflation unless the Government of the United States ceases to inflate, unless the Government of the United States puts its house in order and balances its budget. You can do it but one way, and that is to cut the appropriations. There is not throughout the length and breadth of the land a single public office that cannot take a 10 percent cut in personnel. As the gentleman from Georgia advised you, this cut will cut back only about 60 out of 550 employees. What are you going to do about it? You have had tax bills sent up here by the Treasury, not prepared by experts in taxation but by some of these smart boys. We ought not to allow ourselves to be swayed into believing that they need all of this personnel in the Treasury. I want to see the Treasury managed effectively and efficiently and not wastfully. I want to see them have enough personnel to do business on but not a surplus to play

with. A clear, careful investigation has shown that the Treasury Department can take very substantial cuts.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Indiana.

Mr. HALLECK. I just want to say for myself that I, too, realize just how important it is that we cut Federal spending. Likewise, there is a demand in the country that we make substantial cuts. The gentleman has referred to a 10-percent cut. Frequently we have had it suggested to us that maybe an across-the-board percentage cut would be an advisable thing. But generally, in respect to such a proposition as that, it is urged that there should be a careful pruning, item by item, as these bills come along.

I listened to the gentleman from Georgia [Mr. Davis] make his statement about this proposed amendment of his. It seemed to me that he made a good case for it. We have all talked about economy. We all say we are for cutting the cost of government. I am not so sure but that the time has come to find out whether we really mean that or whether it is just talk.

Mr. TABER. If we mean it we will vote for this amendment.

Mr. PASSMAN. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I am tremendously impressed with the move that has been inaugurated this afternoon to effect some economy in the Federal Government. I am a member of the Appropriations Committee serving on the Subcommittee on the Treasury and the Post Office. Personally, I think we did a very good job in removing some of the fat from the bill, but I am afraid that we are overlooking one very important factor.

The gentleman from Georgia stated that the Williams subcommittee investigating the Treasury Department discovered that the average employee took 37 days leave per year. We know that that is entirely too much, but you know and I know that it is the personnel law that all classified Federal employees earn 26 working days leave annually. They fit 5 of those days into 5 separate weeks. 7 times 5 is 35. Then they have one additional day, which makes 36 days. That is the law. Of course the classified Federal employees take advantage of it.

If the President of the Standard Oil Co. or of any other large company should get on the air and say that effective as of a certain date all employees would get 1 month's vacation with pay, you would think either that he had lost his mind or that he was a great humanitarian.

I wonder why we do not really get down to something serious and eliminate the demagoging and go back to the basic law and amend that. Let us cut Federal leave back to 20 days and then let the Federal employees divide that into 4 weeks and have a month's vacation with pay. By doing that you would save approximately \$286,000,000 annually. If you make a cut in this particular appropriation, unless you amend the law, I

am afraid that the Department will come back next year and ask for a deficiency appropriation. Without exception they always get that deficiency appropriation. Go back and look at the cuts that we made for the fiscal year 1951. Almost without exception these departments came back and their deficiency appropriations exceeded the amount of the cut that we made in committee. So what we should do is to go ahead and amend the law and cut out some of the free time that we give to Federal employees. I would vote for a bill, even if I never came back to the Congress, providing for leave of 20 work days. I think that is sufficient. It would give every classified civil-service employee 1 month's vacation. I would like to see legislation of that type reported out before this Congress recesses.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. TABER. I agree with the gentleman that we ought to reduce the leave, but the law we passed last year requires the apportionment of the funds which are appropriated so that the funds will carry them through the year, therefore they have no business incurring any deficiency.

Mr. PASSMAN. Nevertheless they do incur deficiencies, and with few exceptions, if any, the Congress allows the deficiencies and approves them in appropriation bills. I repeat, with few exceptions, if any, the deficiency appropriation will exceed the cuts made by the committee last year.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. COX. If the agencies downtown have any sense at all, they will construe what is happening here to mean that the Congress is not going to look with favor upon granting them any deficiency appropriation.

Mr. PASSMAN. We are not changing the basic legislation which brings this question about. If you give the average classified Federal employee 26 days annual leave, plus 15 days sick leave and you give them time off for all holidays, and when it gets a little bit too warm during the summertime, naturally you have to have additional personnel to do the amount of work required. What we should do is to go back and amend the law so as to give them a reasonable amount of vacation time more in keeping with what private enterprise allows their personnel.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think the gentleman from Georgia deserves a great deal of credit for offering this amendment. I am supporting it. I have one regret, however, and that is the \$248,000 that he has earmarked for saving is not possible at this time to be annotated and listed so that some of those boys who are making from ten to twenty thousand dollars base a year, who are listed in the Federal Register that all of you get on your desks, cannot be specifically cut out. In my opinion the only way we can ever save real money is to take this Federal

Register and go right down through page after page and eliminate some of these ten to twenty thousand dollar salaries that they are making in Government departments. They are base salaries at that and their actual paychecks make a Congressman's salary look like chicken feed. You talk about superfluous jobs. Why is it when we start cutting jobs we have to emphasize the custodians, the janitors, the clerks, the chauffeurs and the other small jobs, when unfortunately some of the high-salaried jobs go unchallenged and nobody ever tries to make any cuts there?

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield.

Mr. PASSMAN. Would the gentleman support legislation which would reduce the amount of leave that we are giving to classified civil-service employees at this time, so as to cut it from 5 weeks to 4 weeks?

Mr. EDWIN ARTHUR HALL. The gentleman is not even talking about what I am talking about. I cannot answer that.

Mr. PASSMAN. Oh, yes; we are talking about economy.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I refuse to yield further.

I am talking about these high salaries in Government. I know that they come as a result of political patronage. They are lush jobs being given out in appointive positions to people who have served in various political campaigns and in many cases it is their reward. It is their reward for work well done to put certain tickets and certain individuals over. I cannot subscribe to that kind of political patronage. I have never needed this to get elected myself. I believe it is a detriment to any candidate because he serves with his hands tied if elected. I am not referring to any political party.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield.

Mr. COX. Does the gentleman not think the question propounded to him by the gentleman from Louisiana is pertinent and tests the good faith of what the gentleman is saying?

Mr. EDWIN ARTHUR HALL. No. The gentleman from New York is talking about the amendment which the gentleman from Georgia [Mr. DAVIS] just offered, and he is supporting it. He is very glad to support it, but the unfortunate part of the whole thing is that we cannot earmark some of those executive jobs for the slaughterhouse. I think that if we are ever going to exercise economy in Government we cannot start picking on the little jobs, with salaries from \$1,500 to \$3,000. In order to save money you have got to attack the big jobs and eliminate some of the deadwood that you have in the upper brackets in Government. I will give you an example. Back home a private business, a certain big corporation, employed the Robert Heller experts to streamline their business and bring about efficiency and economy. They did this by eliminating a great many of the small jobs, necessary jobs for the running of the business. Then what did they do? They lined the upper bracket jobs, cre-

ated several new positions of \$15,000 to \$20,000 executives at the expense and elimination of many small jobs so that the sum total of the savings was comparatively small after everybody got through and the new jobs were given out.

I cannot subscribe to savings of that kind.

I am going along with the amendment that the gentleman from Georgia has introduced. I know that it is not germane at this time for him to be able to specify these various jobs for elimination; I am sorry that he cannot do it, but it would be declared out of order by the Chair. However, it is a gesture, and it is certainly a step in the right direction to start saving money in the Treasury Department or anywhere else where we can do it. I think every one in America will back the gentleman in his plea for economy, and I want to subscribe wholeheartedly to it.

The gentleman from New York [Mr. TABER] mentioned that we could do a lot to deflate some of these Government payrolls. I would like to start right in by pricking the Federal Register with a pin, so that the balloon will burst and some of the high-salaried jobs be knocked off the payroll.

Mr. CANFIELD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am sorry that the Secretary of the Treasury and his office are being scheduled here this afternoon as the first victims of this economy drive. In the first place, I want to emphasize that the action of our subcommittee on this particular item after most sincere and serious scrutiny and study was unanimous. In the second place, I desire to say that I was chairman of this subcommittee in the Eightieth, a Republican-controlled Congress. As chairman of this subcommittee I called upon the Secretary of the Treasury, the Honorable John W. Snyder, to help me do a job, and he did it; he did it without any evasion of any kind; he came through. I found him to be thoroughly honest and anxious to help do a job for the taxpayers of our country, and I believe we are not doing the right thing in striking at him and his office in this particular amendment.

May I say in passing that I have in mind also the fact that members of the so-called Williams committee in their studies and in their reports on their studies did not call before the committee the Secretary of the Treasury or his aids, but relied entirely upon the findings of two investigators.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from New York.

Mr. KEATING. On page 24 of the report there appears to be nothing showing what the appropriation for this item was last year and how this compares with last year's appropriations. Perhaps I just do not understand where it is.

Mr. CANFIELD. It appears on page 24, Office of the Secretary.

Mr. TABER. If the gentleman will yield to me on that, I think I can explain it. The figures ran for these eight

outfits that are included herein about \$3,000,000. But there is a lot of money that has been transferred into other places so that the total over-all was not quite so much as the budget estimate that was presented here; it is about \$22,684,000.

Mr. KEATING. How does that compare for last year?

Mr. CANFIELD. The summary appears on page 24.

Mr. TABER. Two million six hundred and thirty-four thousand dollars.

Mr. CANFIELD. It shows a cut of \$41,000.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. DAVIS].

The question was taken; and on a division (demanded by Mr. GARY) there were—ayes 101, noes 44.

Mr. GARY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. GARY and Mr. DAVIS of Georgia.

The Committee again divided; and the tellers reported that there were—ayes 11, noes 48.

So the amendment was agreed to.

The Clerk read as follows:

BUREAU OF ACCOUNTS
SALARIES AND EXPENSES

For necessary expenses, including contract stenographic reporting services, \$2,050,000: *Provided*, That Federal Reserve banks and branches may be reimbursed for necessary expenses incident to the deposit of withheld taxes in Government depositories.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: Page 2, line 14, strike out "\$2,050,000" and insert "\$1,850,000."

Mr. TABER. Mr. Chairman, I have been much disturbed about the Bureau of Accounts for a long time. They persist in getting out a daily Treasury statement that does not give a picture of our expenditures. Their attention has been called to this situation time and again. It does no good. For instance, they call excess of receipts an expenditure. Last year, as of this date, on the Commodity Credit Corporation they reported as of this date \$1,210,000,000 as expenditures. This year they report an excess of receipts of \$553,000,000 in the expenditure column, indicating that they are not showing the expenditures and that they are mixing up their expenditures and their receipts in such a way that you can tell nothing about your Treasury statement. There is \$500,000,000 of the same sort of thing in the RFC.

As a result in these two items alone the expenditures stated as \$28,000,000,000 are over \$2,000,000,000 below what they actually are, and you cannot tell a single thing about your financial structure and your rate of expenditure and whether or not you are balancing the budget. Because they are doing things that way, doing things unnecessarily that way, it takes much more work to do it than it would to do it right and put down the expenditures and the re-

ceipts separately. Because they are doing that they are wasting help and they can take a cut of 10 percent without any trouble at all.

Now, I like to see the Government do its job right, and when they are not doing it right it is time for us to do our best to correct it, and the only way we have of correcting it is by reducing the appropriations down to the point where they will not be able to muddle up their figures the way they are. It would be twice as easy for them and it would take only half of the help to do it right. Let us make them do it right. Let us adopt this amendment and save the money.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Georgia.

Mr. COX. The bill that we are now considering happens to be one which makes it impossible to effect any drastic cuts. But we are at least setting a pattern to be followed in the consideration of other appropriation bills, and the people who have been running the show might take notice of the fact that this Congress is going to give some serious attention to the cutting of public expenditures to the tune of billions of dollars.

Mr. TABER. And that means that we will meet our responsibility when we do it. I hope we will adopt this amendment.

Mr. GARY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I want to say that to a large extent I have shared the views of the gentleman from New York [Mr. TABER] with reference to the Bureau of Accounts. One of the greatest efforts of our committee has been to improve the accounting procedures throughout the Federal Government. At long last a definite program is under way. We have today a joint committee which is composed of representatives of the Bureau of Accounts, of the Bureau of the Budget, and of the General Accounting Office.

That joint committee is endeavoring to set up modern accounting procedures throughout the entire Government. By cutting this appropriation at the present time you will endanger that program. The Congress time and again has condemned Federal accounting procedures, and I have been one of the chief critics, but now when we are beginning to make some improvement, we come in and lop off the funds with which that improvement might be accomplished.

If there ever was false economy, in my judgment this amendment is it, because this Bureau is trying to do just exactly what the gentleman from New York [Mr. TABER] wants done. The changes could not be accomplished overnight, but substantial progress was reported to our committee. Under the program which is now under way, I think we can expect some substantial reforms.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. GARY) there were—ayes 107, noes 54.

So the amendment was agreed to. The Clerk read as follows:

SALARIES AND EXPENSES, DIVISION OF
DISBURSEMENT

For necessary expenses of the Division of Disbursement, \$11,500,000.

Mr. DAVIS of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Wisconsin: On page 2, line 20, strike out "\$11,500,000" and insert "\$11,050,000."

Mr. DAVIS of Wisconsin. Mr. Chairman, the effect of this amendment is to reduce the amount of the appropriation for the Division of Disbursement by \$450,000. The amended figure, that is, \$11,050,000, was the amount of the appropriation for this Division last year. The figure of \$11,500,000 roughly represents the \$11,050,000 in last year's bill plus \$454,000 which was transferred to the appropriation this year from funds previously allocated to the Bureau of Engraving.

However, against this legitimate increase by transfer there are some legitimate offsets, and I should like to attempt to itemize those offsets for the benefit of the Committee of the Whole here this afternoon.

First, there is \$108,000 that now goes out of the Division of Disbursement and goes over to the General Services Administration for the purpose of the rental of the space that is now occupied, so there is one large item that can be offset.

Also in this amount there is \$108,000 more this year than there was last year for the purchase of new equipment. I would be the last to say that that additional new equipment should not be bought. I think it should. The Hoover Commission and the subcommittee which held hearings on this bill had some very pertinent remarks to make about some of the equipment that is being used now in the Division of Disbursement. But certainly that additional expenditure for new equipment ought to be reflected in a decrease in the amount that should go for personnel. If we have modern equipment to do the work we should not need more people to do the same job.

This request shows much more than the \$108,000 for new equipment asked for, in addition to and on top of that for additional personnel.

Yes, their justification is they are going to have a bigger job to do. But on some of the things they anticipated doing more—for instance, on the national service life insurance dividend, the handling of savings bonds—certainly they are going to have less of a job to do this year on the national service life insurance dividend than they did last year because there are many less people to be served and certainly there are going to be many less bonds to be handled this year than last year. First of all, with high prices and with the tax increase, there is going to be a great deal less money available with which to buy bonds. Secondly, as a result of legislation passed by the Congress extending the interest to an extended maturity

date, there are going to be less transactions in that particular field.

The Williams subcommittee on overstaffing had some rather uncomplimentary things to say about the division of disbursement, and they picked out this agency as one which was highly overstaffed and said there could be substantial reductions in force.

As to the fifth item of offset against higher spending, the hearings show no basis for the increased estimate of workload, but the hearings do show instances where the present year's workload may be reduced in the cost of the next year. So, if through this new equipment each employee can handle a thousand more items, and that is what the testimony in the hearings show, if that increased efficiency will take up a great deal of the slack, they ought not to have more people handling more items to do what may be a bigger amount of work, but what may not be bigger amount of work. As I said, the hearings do not show the basis on which that estimated increased work is to be done.

So I think it is reasonable to expect this agency to absorb the additional amount required for doing some of the work of the Bureau of Engraving. I have cited some of the offsets against this item. The division ought to be able to do the same job, or perhaps even a bigger job, with the new equipment being given them under this bill, with the same amount of money that they had last year. I think it is reasonable to expect them to make that reasonable contribution to the defense effort at this critical time.

Mr. GARY. Mr. Chairman, I rise in opposition to the amendment, or rather I rise to call the attention of the House to what they are doing. This is the division of the Treasury which pays out all checks. It certainly should not take a prophet to tell the House that with the tremendously increased expenditures resulting from the present emergency situation and from the Korean War that you are going to have a tremendous increase in the workload of this particular department. If you want the machinery of Government to stall; if you want the people to sit around waiting for checks; if you want your servicemen who are entitled to their dividend insurance to be waiting for those checks because they do not have a sufficient force in the Office of Disbursement to pay them out; if you want men waiting for their salaries; if you want dependents of servicemen waiting for their allotments; and if you want contractors waiting for their money to proceed with their defense contracts, then vote for this amendment.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. CANFIELD. Can the gentleman in his stewardship as chairman of this subcommittee recall a finer and more forthright and honest witness than Paul Banning?

Mr. GARY. I cannot recall a more conscientious public servant nor one who has done more to economize in his department.

Mr. CANFIELD. Is it not true that he comes before us each year showing a reduction in the unit cost of the items his department has to process?

Mr. GARY. I have those costs right here. The unit costs are shown, as are the number of items which the Department handles, on page 100 of the hearings. The gentleman from Wisconsin said there is no increase in the work load shown in the record. They estimate that 4,000,000 additional checks will be drawn during the next year.

Mr. DAVIS of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. DAVIS of Wisconsin. I did not say that. I said there was nothing in the hearings to show on what the increased estimate of workload was based. I think that is a fair statement of fact.

Mr. GARY. It is based upon the fact that the Congress has authorized the expenditure of approximately \$20,000,000, 000 additional for the defense effort for 1951 and no one knows what the expenditures will be in 1952.

Mr. KEATING. Mr. Chairman, will the gentleman yield for what I believe is a correction? According to the report, on page 6, as I understand it, the estimated unit cost for 1952 is substantially greater than was the actual unit cost for 1950?

Mr. GARY. Not substantially greater.

Mr. KEATING. It is 3 percent above the 1950 unit cost.

Mr. GARY. In 1945 the unit cost was \$0.06332; in 1946 it was \$0.05807; in 1947 it was \$0.06379; in 1948 it was \$0.05849; in 1949 it was \$0.06098; in 1950 it was \$0.06035; in 1951 it is \$0.06218; and for 1952 it is estimated at \$0.06234.

Mr. KEATING. In other words, each of the last 3 years has shown an increase, not a decrease.

Mr. GARY. Some slight increase in the unit cost due to the fact that this Congress has authorized increases in salaries. Let me say, we cannot sit here and increase the salaries of Government employees without having the cost reflected in the operation of the departments. I am not arguing for or against increasing salaries, but I am saying that if the Congress in its wisdom decides to increase salaries, then we must expect a corresponding increase in operating costs. That is why these unit costs have risen. I think practically all of this is caused by salary increases.

Mr. KEATING. I appreciate that. I also realize that the gentleman's intimate familiarity with this subject far exceeds mine; I am merely going by the record. Here we see an increase in the unit cost at the very time when there is a greater volume and also modern equipment which should automatically reduce the cost; in other words, it seems to me the trend there is just exactly the opposite of what the trend should be in a well-run department.

Mr. GARY. Because of the increase in salaries; that is where the increase occurs. You cannot increase salaries without increasing costs.

Mr. H. CARL ANDERSEN. Mr. Chairman, I move to strike out the last

word merely to remind the House that all the gentleman from Wisconsin is trying to do is to put this particular bureau down to where they were in this particular fiscal year. Certainly that cannot be much of a hardship.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield.

Mr. COX. If what has been said in opposition to the amendment is the best that the committee can do in answering the argument of the gentleman from Wisconsin, then the committee is bankrupt in that rare commodity, logic and reason.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The question was taken; and on a division (demanded by Mr. GARY) there were—ayes 102, noes 55.

Mr. GARY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. GARY and Mr. DAVIS of Wisconsin.

The Committee again divided; and the tellers reported that there were—ayes 112, noes 67.

So the amendment was agreed to.

The Clerk read as follows:

BUREAU OF THE PUBLIC DEBT

ADMINISTERING THE PUBLIC DEBT

For necessary expenses connected with any public-debt operations authorized by the Second Liberty Bond Act, as amended (31 U. S. C. 760-762), and with the administration of any public debt or currency issues of the United States with which the Secretary of the Treasury is charged, \$50,000,000, to be expended as the Secretary of the Treasury may direct, and the Secretary is authorized to accept services without compensation: *Provided*, That Federal Reserve banks and branches may be reimbursed for expenditures as fiscal agents of the United States on account of public-debt transactions for the account of the Secretary of the Treasury, and advances to the Postmaster General may be made in accordance with the provisions of section 22 (e) of the Second Liberty Bond Act, as amended (31 U. S. C. 757c (e)): *Provided further*, That the indefinite appropriation provided by section 10 of said act, as amended, shall not be available for obligation during the current fiscal year.

Mr. FORD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FORD: Page 3, line 4, strike out "\$50,000,000" and insert "\$49,000,000."

(Mr. FORD asked and was given permission to revise and extend his remarks.)

Mr. FORD. Mr. Chairman, this amendment reduces the committee provision from \$50,000,000 to \$49,000,000.

It is interesting to note that in 1951 this particular Department had a budget of \$50,250,000. The budget request for fiscal year 1952 was \$52,900,000. The committee cut the budget \$2,900,000, which, for your information, is a cut of 5.4 percent.

My amendment, which is an amendment to cut it another \$1,000,000, leaves the cut, if the amendment is agreed to, at 7.4 percent.

It is also interesting to note at this point that on page 317 of the budget—the appendix—the President requested only \$49,118,000. If we sustain this cut the provision will still be larger than what the President initially requested. Frankly, I am unable to understand just how they arrived at \$49,118,000 but that is the figure the President initially requested and unless we approve this amendment we will be almost \$2,000,000 more than what the President requested. If my amendment is approved it will be not quite a million dollars more than the President requested.

I would like to direct my remarks particularly to the sales operating budget of the Bureau of Public Debt. In the request by the Department it sought \$4,800,000 for the sales operating budget or the promotion of the sale of savings bonds. If you will read the hearings at page 300, you will find that the Bureau is going into a tremendous sales promotion program. That is the reason they sought \$4,800,000 for this particular program. Any of us who have had experience with the sales promotion program of the Bureau of Public Debt realize that they have actually oversold the savings bond program. By overselling the cost of the program increases tremendously. It would seem to me that the Bureau of the Public Debt would have a better leg to stand on for the sales of their savings bonds if they were actually making an attempt themselves to reduce the Federal budget. I think that that would be an affirmative approach.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Michigan.

Mr. DONDERO. It was interesting to note at that point that in 1 month this year the disposal of bonds by the people was \$90,000,000 more than the bonds sold by the Government.

Mr. FORD. I might add this to what the gentleman from Michigan has said. For the year 1950 on series E bonds there were over \$243,000,000 in redemptions in excess of sales. I think if you will look at the chart in the hearings you will realize that the redemption rate went up at the time that the public began to fear that our Federal budget would become more out of balance than it has been for the past few years.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Indiana.

Mr. HALLECK. Will the gentleman not agree with me that probably one of the best ways in the world to persuade people to buy Government bonds is to give clear evidence of our intention to cut the cost of government, and, insofar as they will do it, make sure that the value of the dollar is protected?

Mr. FORD. I agree with the gentleman from Indiana. I think by cutting the budget as we are trying to do here today we will instill confidence in the American people so they will have a greater feeling of security when they purchase series E, series F, and series G bonds.

Mr. GARY. Mr. Chairman, I rise in opposition to the amendment and to point out to the Members of the House that the committee has already cut the request of the Bureau of the Public Debt \$2,900,000. This additional cut will make a total of \$3,900,000. The funds which are allowed in the bill are already \$250,000 less than the amount allotted to the Bureau for 1951. We added, if you will recall, just a short time ago by a supplemental appropriation \$500,000 to promote the sale of bonds because of an emergency which had arisen. Not only will the Bureau of the Public Debt have less money with which to operate, but it will have to handle an unusually large number of maturities of savings bonds in 1952. The Bureau of the Public Debt has charge of the issuance, servicing, and retirement of savings bonds; the issuance, servicing, and retirement of public Treasury issues; verification and destruction of unfit United States currency; management and audit of public-debt accounts; and the promotion of the sale of savings bonds. The committee has cut them \$2,900,000. This amendment that you have before you will cut them an additional \$1,000,000.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Iowa.

Mr. GROSS. Why do we have a Bureau of the Public Debt? Will the gentleman tell me?

Mr. GARY. Why does the gentleman not ask the Members of Congress? It was established by an act of Congress. I should think the gentleman, being a Member of Congress, ought to know something about it.

Mr. GROSS. Is there any possibility that we will soon have a bureau of the deficit?

Mr. GARY. If the Congress decided to establish one, we will have a bureau of the deficit.

Mr. CANFIELD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the question has been asked, "Why do we have a Bureau of the Public Debt." I quote from page 286 of the hearings:

The Bureau of the Public Debt is charged with the conduct of all transactions in the outstanding public debt of the United States. Following a decision on a financing operation by the Secretary of the Treasury, we prepare the necessary legal and operating documents, establish records of the issue, maintain interest accounts and make periodic payments, by check, of interest on registered securities; conduct authorized transactions in securities; afford relief in instances of lost, stolen, or destroyed securities on the basis of proper evidence; and maintain records of securities retired either on authorized transactions or by redemption.

On this subject of heavy maturities, the Commissioner of the Public Debt in his testimony before the committee said:

In 1952 we will be faced with the first really heavy maturities of savings bonds. We estimated that 26,000,000 series E bonds will reach full maturity in that year, and that total redemptions for the year will be about fifteen million over 1951. Some of the bondholders will want, and will receive, cash for their bonds. Many, however, will desire to reinvest all or part of the proceeds in new

savings bonds. No one knows just how much of the maturities will be reinvested, but we felt that possibly two-thirds of the dollar value might be converted into new issues, which would result in about 18,000,000 pieces in excess of the number to be issued this year.

The increase requested for 1952 can be attributed largely to the cost of handling these heavier maturities.

[Mr. CRAWFORD addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. COX. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we are not going to be able to effect any very great saving of money on the bill that we are now considering. But the importance of what we are doing here this afternoon is that it should help the bureaucrats downtown to realize that the honeymoon of the new order is over, and that the day of the fuzzy-minded do-gooder is ended.

Mr. NICHOLSON. Mr. Chairman, I rise in opposition to the pro forma amendment and ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. NICHOLSON. Mr. Chairman, I am glad to go along with the gentleman from Georgia who just took his seat. I have been working around here in the dark for 3 or 4 years. I am beginning to see the light, too, although I am more or less trying to save a little money. I have a book in my office which shows the officers in the United States Army. I was dumfounded when I counted them to find that we had 445 generals in the United States Army. I would like to have someone here tell me why we need 445 generals when we only have six or eight divisions. When I was in the First World War, Mr. Chairman, we had a major general for every division and we had a few brigadier generals, but now we have as many major generals as we do brigadier generals, and we have been voting \$14,000,000,000 a year for the last 3 years for the military and no one has ever told us that much. I do not know how many generals we have in the Marine Corps, and I do not know how many admirals we have in the United States Navy, but, if it is anything like the Army, we have probably an admiral for every boat.

It seems to me, Mr. Chairman, that if we vote to cut this cloth today, next July or next August we will not be coming here and doing what we have been doing ever since I have here, anyway, namely, to pass deficiency appropriations and have the head of the department pay no attention to us whatsoever. They come in with a deficiency appropriation and they get it. We should let these top men who are running these departments know that they have to stay within their appropriation or close shop—either one of the two. They pay no attention to the Congress and it is about time that the honeymoon was over, as the gentleman from Georgia just said.

Mr. GARY. Mr. Chairman, it is evident that we will not be able to complete the consideration of the bill this after-

noon, so I move that the Committee do now rise.

The CHAIRMAN. The question is on the motion offered by the gentleman from Virginia.

The question was taken; and on a division (demanded by Mr. H. CARL ANDERSEN) there were—ayes 76, noes 80.

Mr. GARY. Mr. Chairman, I demand tellers.

Tellers were ordered; and the Chairman appointed as tellers Mr. GARY and Mr. H. CARL ANDERSEN.

The Committee again divided; and the tellers reported there were—ayes 95, noes 67.

So the motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. SMITH of Virginia, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3282) making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank of Washington for the fiscal year ending June 30, 1952, and for other purposes, had come to no resolution thereon.

LABOR'S ROLE IN THE DEFENSE PROGRAM

(Mr. RAMSAY asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. RAMSAY. Mr. Speaker, this Nation is embarking on a serious program of rearmament in order to build up our defenses to meet the totalitarian threat of world Communist imperialism.

We are proceeding in that program without benefit of guidance and participation of the representatives of nearly one-third of our population.

At the end of last month, representatives of the United Labor Policy Committee withdrew from all advisory councils of the Office of Defense Mobilization and the various offices under the Economic Stabilization Agency.

This committee is a joint committee of the American Federation of Labor, the railroad brotherhoods, and the Congress of Industrial Organizations. These organizations have a combined membership of 15,000,000 workers, who, together with their families, represent about 45,000,000 American citizens.

While the United Mine Workers of America is not a member of the United Labor Policy Committee, it has endorsed the position of ULPC. I feel confident that the other great independent unions also back to the hilt ULPC, just as UMWA does. When we add the membership of these other unions, together with their families, we find that ULPC is the voice of nearly 50,000,000 Americans, or exactly one-third of our population.

Mr. Speaker, we cannot hope to have a successful defense mobilization program if we exclude such a large and important segment of our population.

Now why did labor take a walk?

It was largely because labor, and its official spokesmen, felt that the wage stabilization policy, viewed in the light of the price stabilization policy, was unfair.

It was certainly unrealistic. Wages were originally frozen as of January 1950. Prices were frozen as of January 1951. Wage increases over the January 1950 level were permitted up to 10 percent. January 1951 living costs were more than 10 percent greater than they were a year earlier.

This, without any other consideration, was certainly an unrealistic approach.

Adding to the confusion was the fact that the term "price freeze" is used very liberally. We have not frozen prices as anyone who goes to market very well knows. This Congress prevented effective price control when it put the parity restriction into the Defense Production Act of 1950.

Labor—through its policy committee—is not asking too much. I find its program not very much different than the demands of all the people, judging from the letters I receive from my constituents.

Labor, in the field of wage control, wants a formula which will assure economic justice. That is pretty much what my constituents want.

Labor wants a more realistic price control program rather than one full of loopholes and deficiencies and rather than one based on a so-called freeze at a time when prices were at record highs.

That is just about what my constituents want. In fact as early as last October my constituents were demanding a price freeze and at that time I advised the President of my willingness to desert my campaign for reelection to return to Washington to enact a better bill than the Defense Production Act of 1950.

Labor wants a tax program that is more equitable than the monstrosity we passed in December which falsely carries the label of excess profits tax. Labor wants loopholes plugged in our tax bills. That is just about what my constituents demand. I have received a very great many communications saying only that "Please plug the loopholes in the tax laws."

Mr. Speaker, I have referred to the things labor asks and the things my constituents ask. I doubt if my constituency is much different from any other. I suspect that my colleagues have been receiving mail in a similar vein.

I believe Congress should correct its mistakes and I suggest that the Administration correct its mistakes—and quickly so that labor will again be able, in all sincerity, to assume its proper role of responsibility in the defense program. It must not be used as mere window dressing. Labor in the United States is responsible. It represents a third of our people. It is capable of great contribution.

Selfish interests should not make it impossible for labor to serve.

BOXCAR SHORTAGE

(Mr. O'HARA asked and was given permission to extend his remarks at this point, and include a telegram from four governors of the midwestern States.)

Mr. O'HARA. Mr. Speaker, the annual scramble for boxcars to move grain in the Middle West has continued for the past 10 years. The shortage this year is

the most critical in history, and millions of bushels of high-moisture corn, wheat and other grains will be rendered unfit for human or livestock use unless moved within the next several weeks.

There are several causes for this condition, but the principal reason is due to a continuing shortsightedness to maintain an adequate construction program to provide sufficient boxcars to replace old equipment and provide for the increased needs of the country.

Almost 50 percent of the boxcars owned by the midwestern railroads are now being used by eastern railroads, and despite orders of the Interstate Commerce Commission to transfer a specified number of boxcars from the eastern roads to western roads, this order has not been fully complied with.

To add a touch of irony, the Interstate Commerce Commission has granted an increase in freight rates to become effective in the near future. This means that the owners and shippers of this grain, who have not been able to get cars, will have to pay a higher rate to ship the grain than if the cars had been made available when they should have been. I know of no rule of law which permits a party to cash in on its own neglect or failure to do what it should do.

I believe the Interstate Commerce Commission has the power under the law to compel the railroads to build sufficient boxcars to provide needed facilities of transportation; that it has the power to direct the movement of sufficient cars to move this grain; and that it has the power to defer the effective date of the increased freight rate, just granted, to prevent undue and inequitable hardship to the shippers in this situation.

Mr. Speaker, I hope the Interstate Commerce Commission, in its infinite wisdom, will take action on all these matters at once.

I have received a telegram, signed by the Governors of Minnesota, North Dakota, South Dakota, and Montana, setting forth the critical situation which exists, which reads as follows:

The boxcar shortage in this upper midwestern area is one of the most severe of all times. Many industries are faced with a complete shut-down. Also understand 10,000,000 to 20,000,000 bushels corn, wheat, and barley in a very wet condition and must soon be transported or the producers in this area will suffer a tremendous economic loss. These producers now also being deprived of an opportunity to market their grain. The flow of loaded boxcars is predominately eastbound where they are now being held for benefit of eastern industry. As a result Northern Pacific Railroad plain boxcars on line constitute only 49.7 percent of ownership which is an all time low for that carrier. Great Northern is down to 57 percent and other carriers in this area rapidly getting in similar condition. Something drastic must be done to relieve our citizens. Recent orders of Interstate Commerce Commission diverting cars to this area are not doing the job. The orders are not large enough and they are not being complied with. For example, Northern Pacific, Great Northern and Soo Line alone are short 6,300 cars under what those orders required for first 3 weeks. All ICC orders call for 1,260 cars per day but during first 3 weeks the daily average has been less than 900 cars or 71 percent of requirements. Three

House of Representatives

WEDNESDAY, MARCH 21, 1951

The House met at 11 o'clock a. m.

Rev. M. C. Patterson, Practical Bible Training School, Binghamton, N. Y., offered the following prayer:

Our Gracious and Heavenly Father, we come into Thy presence this morning grateful for all of the blessings of life, for we realize that every blessing comes from above. How we thank Thee today for the simplicity of the Gospel. We thank Thee that we have a Saviour who loves each and every one of us. We thank Thee that we all read in the Scripture that God so loved the world that He gave His only begotten Son, that whosoever believeth in Him shall not perish but have everlasting life. How we thank Thee for the promise that Thou hast given us of eternal life. We pray that Thou wilt help each one of us to appropriate Him and may each know that that only comes when we do have Him in our hearts. How we thank Thee for this body of men here, that they are willing to begin the day with Thee, seeking Thy guidance and wisdom. How we thank Thee for the Nation, our Nation, a Christian nation. We thank Thee, Our Father, that Thou hast loved us all these many years. We thank Thee that in spite of the chaos that exists around the world today, yet we know that we can depend on Thee and that Thou wilt lead us through these days. We know these men are depending on Thee. So we pray that Thou wilt lead and guide and direct them in all of their deliberations. We thank Thee, our Father, for Thou hast promised in Thy word that we who humble ourselves and confess our sins are acceptable unto Thee. So we know that these men are depending on Thee to do Thy bidding during these days. We know their dependence is upon Thee. We pray for Thy blessings, our Father, for the President of our land, and we realize his great responsibility. So we pray that Thou wilt lead and guide and direct him in all of his thinking in the affairs of this Nation. We thank Thee for this body of men here, for the Speaker of the House, and for every Representative. We thank Thee for our own Representative from Binghamton, EDWIN ARTHUR HALL. How we thank Thee for him and his clean-cut stand for the things that are right. We thank Thee for him and for all he is doing for our district. We thank Thee for the Congress and the Senate, and we pray that Thou wilt lead and guide and give wisdom to those men as they make our laws and formulate the policies of our Nation. Guide and direct and bless them, and give them the real wisdom from on high. Thou hast promised us to give us wisdom when we ask it of Thee. We know that they are depending on Thee. These things we ask all in the name of our Lord and Saviour Jesus Christ. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

ADJOURNMENT OF THE HOUSE FROM MARCH 22 TO APRIL 2, 1951

Mr. PRIEST. Mr. Speaker, I offer a privileged resolution (H. Con. Res. 83), and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

Resolved, That when the House adjourns on Thursday, March 22, 1951, it stand adjourned until 12 o'clock meridian, Monday, April 2, 1951.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

SPEAKER EMPOWERED TO DECLARE RECESS ON APRIL 2, 1951

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that it may be in order at any time on Monday, April 2, 1951, for the Speaker to declare a recess subject to the call of the Chair.

Mr. Speaker, I make that request in order to announce also for the information of the Members that on Monday, April 2, 1951, the President of the Republic of France will be received in this Chamber in a joint meeting of the two Houses of Congress. This meeting will take place shortly after the convening on that date.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent to address the House.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

THE LATE THOMAS G. BURCH

Mr. SMITH of Virginia. Mr. Speaker, it becomes my sad duty and privilege this morning to announce the death of the Honorable Thomas G. Burch, former Member of this House who represented the Fifth Congressional District of Virginia in the House of Representatives with distinction and honor for many years. He was elected to the Seventy-second Congress in 1930 and served continuously from that time until he was appointed to the United States Senate to succeed the late Honorable Carter Glass. He served for many years as chairman of the Post Office and Civil Service Committee of the House and had a place deeply imbedded in the affections of Members of this House on both sides of the aisle. He served a long life in po-

litical activities, both in the State and in the Nation, for many, many years, and had the unique distinction of having the respect and affection of all of his colleagues, and no enmities existing in his home State. He served in the United States Senate a part of the unexpired term of the late Carter Glass; and, notwithstanding the insistence of the people of the State of Virginia, declined to stand for reelection in the Senate and retired from that position voluntarily. Tom Burch was one of the distinguished statesmen that Virginia has produced. He served his people with great usefulness and effectiveness, and the people of Virginia have lost a very great and important citizen.

I extend my sympathy to his wife and family and to his hosts of friends in the Commonwealth of Virginia.

Mr. Speaker, I yield to the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Speaker, I am deeply shocked and grieved to hear of the death of Tom Burch. I shall never forget when I came to this body about 6 years ago how he took me under his wing, guided my footsteps, and aided me as a young Congressman in the discharge of my duties. He arranged for me to be a member of his committee, the Committee on Post Office and Civil Service. I served with him there where I was privileged to witness his great capabilities. He was a true friend of the postal service, and that service will show the imprint of his handiwork for years to come.

I share with his wife and family and friends their deep loss, and mourn with them over his untimely death.

TREASURY AND POST OFFICE DEPARTMENTS AND EXPORT-IMPORT BANK OF WASHINGTON APPROPRIATION BILL, 1952

Mr. GARY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 3282) making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank of Washington for the fiscal year ending June 30, 1952, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 3282, with Mr. SMITH of Virginia in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday there was under consideration the amendment offered by the gentleman from Michigan [Mr. FORD]. Without objection, the Clerk will again report the amendment.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. FORD: Page 3, line 4, strike out "\$50,000,000" and insert "\$49,000,000."

Mr. CANFIELD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I arise to say a further word about the action of the Committee yesterday in reducing the amount of appropriation for the Bureau of Disbursement by \$450,000. Yesterday I made a brief comment on the record of this Division in reducing its costs.

Let me point out today that, unlike many other Government agencies, as stressed by our chairman yesterday, the Division of Disbursement cannot reduce its volume of work because prompt payment must be made on all vouchers certified to it by the agencies served. This work includes payments for veterans' pensions, veterans' compensation and subsistence, social security, and other recurring charges, as well as the salaries of civilian employees of the Government. Its work also includes miscellaneous payments on such vouchers as income-tax refunds, bills of contractors, railroads, and so forth. Obviously the Division by its own internal action, cannot reduce the amount of work to be performed for others, which next year will exceed 202,000,000 payments, collections, and so forth. The unit cost applied to the number of items for 1952 is based on the unit cost prevailing for 1950. Since then the salaries paid to employees have increased because of Public Law 429, Eighty-first Congress, and the cost of supplies consumed in the writing of checks, quite a sizable item, reflects that enormous rise in price with which we are all familiar in the seemingly never-ending spiral.

At the height of World War II, or the fiscal year 1945, the average unit cost was $6\frac{1}{3}$ cents per item. For 1952 the unit cost, projected by its cost accounts, is less than $6\frac{1}{4}$ cents. During the intervening 6 years the average salary paid to employees writing checks increased from \$2,114 to \$2,943. This was not through spendthrift action initiated by the Division, but as a result of legislation passed by the Congress.

The additional pay scale amounted to an increase of 40 percent more pay for employees, while the output has risen year after year from 39,000 units per man in 1945 to 59,000 per man in 1952. This is an accomplishment which compares most favorably with that of any industrial enterprise in the United States.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from Michigan.

Mr. CRAWFORD. What information, if any, did the committee gather from the managers of this division as to the actual work turned out by the employees of the division? In other words, how much loafing on the job occurs, if any? How many hours do they actually work in the division? What do they do while they are on the job? What did the Appropriations Committee get in the way of information dealing with that phase of the work?

Mr. CANFIELD. Our committee feels that this is perhaps one of the cleanest and most efficient outfits in the entire Government. Paul Banning, the head of that division, has come before us year after year to show savings. I have just reported for the benefit of the House the fact that the output per man has increased from 39,000 units in 1945 to 59,000 units in the current year.

Mr. CRAWFORD. I paid attention to that discussion yesterday as well as what the gentleman has just said.

Mr. CANFIELD. That was not stressed too much yesterday, I am sorry to say.

Mr. CRAWFORD. What I am getting at is, what are the low-down facts on these divisions? The gentleman knows as well as I know that there is all kinds of loafing in many of these departments. There is no question about it.

Mr. CANFIELD. Not in the Division of Disbursements in the United States Treasury, which is doing one of the best jobs any bureau in our Government is doing.

Mr. CRAWFORD. I should like to see the proof of that.

Mr. BROWN of Ohio. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I ask unanimous consent to proceed out of order, and to revise and extend my remarks and have them appear in the Appendix of the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

[Mr. BROWN of Ohio addressed the Committee. His remarks appear in the Appendix of today's RECORD.]

Mr. GARY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am taking this time merely to correct a statement which the gentleman from Michigan made yesterday, which I am sure the gentleman would like to have corrected. He stated that the President had only recommended \$49,000,000 for this item, and, as a matter of fact, as the item is set up in the budget it does appear that the President recommended only \$49,118,000. That does not include, however, the item below of \$3,782,000 which is the amount that the Bureau pays the Post Office Department for the sale of bonds and stamps. When you add those two amounts together it makes a total of \$52,000,000 that the President requested, rather than \$49,000,000. I know the gentleman did not want to misinform the House, and I simply make that statement for the record.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. FORD. I think in my remarks of yesterday I did state that the budget estimate was \$52,900,000. I did, however, point out the fact that on page 317, I believe it is, of the appendix of the budget it was \$49,118,000. I could not at the time find where the addition—between \$49,118,000 and \$52,900,000 appeared in the budget.

Mr. GARY. If the gentleman will look at page 803 of the budget he will see there the figure of \$49,118,000. Immediately below that is an item: Allocation to the Post Office Department—and that shows an allocation of \$3,782,000 to the Post Office Department. Those two items have been combined into one item in the bill, which makes the total amount requested by the President \$52,900,000.

Mr. FORD. Then it would appear that there was an error in the appendix of the budget as printed; is that correct?

Mr. GARY. I have not examined the appendix, but the facts are as I have stated them. I know the gentleman did not want to mislead the House, and I simply wanted to give him the proper information.

Mr. FORD. So we are dealing with a budget item of \$52,900,000, which the committee cut by \$2,900,000, and my amendment would cut it an additional \$1,000,000; is that correct?

Mr. GARY. That is correct. The item as requested by the Bureau of the Budget and recommended by the President in total is \$52,900,000. The committee cut it \$2,900,000; and the \$50,000,000 allowed by the committee is \$250,000 less than the Bureau had last year.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. GROSS. Did the appropriation subcommittee make any investigation of the Bureau of the Public Debt and the Treasury Department concerning overlapping in the handling of savings bonds?

Mr. GARY. They are one and the same. The Bureau of the Public Debt is the branch of the Treasury Department which has charge of the sale of savings bonds.

Mr. GROSS. You have had advertising men set up in the Treasury Department and other agencies in the Treasury and you also have savings bonds handled under the Bureau of Public Debt.

Mr. GARY. The Bureau of Public Debt is part of the Treasury Department; it always has been in the Treasury Department and it is the branch of the Treasury Department that handles the sale of bonds.

Mr. GROSS. I understand that, but you have overlapping and duplication of effort, do you not?

Mr. GARY. Not that I know of. If anyone will point it out to our committee, show us where there is overlapping and duplication we shall be very glad to see that it is promptly eliminated.

Mr. GROSS. Another question: You have in the Treasury Department, as I understand a savings bond department and an advertising department; is not that true?

Mr. GARY. No; that is all under the Bureau of Public Debt.

Mr. GROSS. All right; you have it in the Bureau of Public Debt. Is that right?

Mr. GARY. They have a special division for the promotion of savings bonds; yes.

Mr. GROSS. And I ask if it is not true that private advertising agencies do a lot of work gratis, free?

Mr. GARY. Yes; and they do it under the direction of the Bureau of Public Debt. They do it because they are asked to do it by the Bureau of Public Debt. This free advertising has to be solicited. The facts are that although we appropriate only \$50,000,000 for this Bureau we are getting hundreds of millions of dollars in free advertising for the sale of bonds, which is contributed by private sources. These contributions are solicited by this very Bureau.

Mr. GROSS. Yes; and with all the copy written and handed to the Treasury Department.

Mr. DONDERO. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, I sat in the House here yesterday and could not help but note the resistance that was offered by the committee, not only on one side but on both sides of the aisle, to every amendment which was proposed to reduce the expenditures of Government in these two particular agencies. To my mind, and this is no reflection upon the committee, because I greatly admire and respect my warm and able friend from Virginia [Mr. GARY], as well as the views of a warm and distinguished friend from New Jersey [Mr. CANFIELD], in their efforts to sustain the action of the subcommittee in the amounts they recommend to the House for passage. But we were told that if these amounts were cut it might affect the functions of Government and greatly throw out of balance and out of gear the orderly running of the Government agencies in question.

To my mind those cuts, the total of which will perhaps only amount to a few million dollars, must almost look humorous to the ordinary taxpayer of the country, commendable as they are, and much as I shall continue to support the amendments to reduce cost in Government.

How does that compare with the fact that in 10 years' time while our population was increasing 15 percent one department of our Government, the Department of State, had its appropriations increased from \$20,000,000 to \$361,000,000 or 1,800 percent; and five departments of the Government and the independent agencies increased in the same period of time, 1940 to 1950, from \$3,500,000,000 to over \$11,000,000,000—not millions, but billions.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield.

Mr. HALLECK. I think it would be useful if the gentleman would read the figures that he has there with respect to these various departments, read them now.

Mr. DONDERO. I had not intended to do that, but I will. I shall give them in round figures. The Department of Commerce in 1940 had appropriations of \$75,000,000; the figures for that department in 1950 were \$863,000,000. The Department of the Interior in 1940 had \$71,000,000; in 1950, \$568,000,000. The Department of Labor had \$18,000,-

000 in 1940; it had \$257,000,000 in 1950. The Department of Justice had \$50,000,000 in 1940, and \$131,000,000 in 1950. The Department of State, as I have already indicated, had \$20,000,000 in 1940 and \$361,000,000 in 1950; and the independent agencies of the Government increased from \$3,269,000,000 in 1940 to \$9,000,000,000 in 1950. This makes an increase from \$3,500,000,000 to \$11,214,000,000 in 10 years.

Our Government is becoming top heavy and that growth is entirely out of line with the growth of population in the Nation. We have only increased about 15 percent in population in that 10-year period, and yet we have increased the cost of government more than 10 times in some departments of Government. It is clearly out of line.

One thing referred to yesterday that attracted my attention was the sale of Government bonds by the public—people disposing of them, cashing them, especially E bonds. In 1950 the people sold or cashed nearly \$250,000,000 of bonds more than they purchased. I wonder if the \$90,000,000 in 1 month this year of E bonds which the people sold over the amount purchased were sold because of economic conditions on the part of the holders of those bonds or because the people of the country are losing faith and confidence in the fiscal affairs of their Government.

Everyday our people are urged over the ether waves—by radio, press, and mail—to buy savings bonds of the Government. They are urged to save and sacrifice. Yet the Government under the present administration will not do what it asks our people to do. It neither economizes nor sacrifices. I just wonder.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from West Virginia.

Mr. BAILEY. I would like to ask the distinguished gentleman from Michigan if he is going to carry these ideas of economy into the St. Lawrence seaway project?

Mr. DONDERO. I would because that project will pay for itself, and these matters do not pay for themselves.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from New York.

Mr. TABER. Is it not a fact that the way to restore confidence on the part of the public in Government bonds is to reduce the appropriations to the point where the budget is balanced and we can then face the people square-toed?

Mr. DONDERO. There is no question about that. I believe this Government can run without a payroll involving 2,250,000 people.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. JAVITS. Mr. Chairman, I ask unanimous consent that the gentleman may be permitted to proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from New York.

Mr. JAVITS. Would the gentleman agree with me, however, that in view of the fact we have to enforce economy, with which I agree, we will have to do it selectively? In other words, you cannot cut everything across the board and, therefore, the committee ought to realize it has to explain every item and cannot put it on the basis: "Well, we have done the best we can." Each and every Member should realize that if we want to do the job intelligently and fairly he has to be on the floor in order to pass on every item.

Mr. DONDERO. I am not impressed with the argument that if you cut one of these items a few thousand dollars it is going to destroy the function and efficiency of the agency. I do not believe that is true, because we are now conducting our Government under a very top-heavy program.

Mr. JAVITS. But we ought to be selective.

Mr. DONDERO. I think it should be across the board and it should be done in larger amounts than we are doing now if we are going to convince the American people with our desire for economy.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. Ford].

The question was taken; and on a division (demanded by Mr. GARY) there were—ayes 92, noes 38.

Mr. GARY. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was agreed to.

The Clerk read as follows:

BUREAU OF CUSTOMS SALARIES AND EXPENSES

For expenses necessary for collecting the revenue from customs, enforcement of navigation laws under section 102, Reorganization Plan No. III of 1946, and of other laws enforced by the Bureau of Customs, and the detection and prevention of frauds, including not to exceed \$100,000 for the securing of information and evidence; transportation and transfer of customs receipts from points where there are no Government depositories; examination of estimates of appropriations in the field; expenses of attendance at meetings of organizations concerned with the purposes of this appropriation; purchase of 100 passenger motor vehicles for replacement only; expenses of seizure, custody, and disposal of property; arms and ammunition; and not to exceed \$1,000,000 for personal services in the District of Columbia exclusive of 10 persons from the field force authorized to be detailed under law (19 U. S. C. 1525); \$37,500,000.

Mr. GOSSETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GOSSETT: Page 4, line 19, strike out "\$37,500,000" and insert "\$36,825,000."

Mr. GOSSETT. Mr. Chairman, in offering this amendment I want to state that I in nowise criticize the very fine committee that brought in this bill. I agree with the gentleman from Michigan who has just spoken that the mem-

bers of that committee are able and conscientious. Also I am not here to unduly belabor and criticize the bureaucrats.

A bureaucrat is an ordinary American who is given a job at the head of a Government agency. All Americans are promoters. He immediately begins to want to do a bigger and better job and will spend all of the money the Congress gives him. Then he will come in with a bigger program for the ensuing year.

Now, the greatest danger to this country, I think we all know, is fiscal and spiritual. The greatest peril to this country is not external aggression, it is not communism, it is destroying the credit of the Nation and the value of the American dollar. It is yielding to pressure for the sake of expediency. It is not only a question of holding appropriations within bounds. It may become a question of cutting out some of the things that we consider to be essential activities and functions of government.

The amendment that I am offering here is one simply to hold the Bureau of Customs to the appropriation they got in the last fiscal year, 1951. There happens to have been a committee of management councilors, the McKenzie Co., that made an investigation of this particular agency. Furthermore, a committee of the Civil Service Committee of the House made an investigation of this particular agency, and both reports say that by an improvement in the procedures, this particular Bureau could save a tremendous amount of money. So I am urging as a matter of principle that we hold the Bureau of Customs to the amount of money that we gave them last year; in other words, to reduce by \$675,000 the item of \$37,500,000, and make it read \$36,825,000. That is the way it read in last year's appropriation bill.

I think perhaps the item could be cut considerably more, although I am in no position to sustain any further cuts; I am no expert on it. But, as a matter of principle, this Bureau ought to be able to operate on the amount of money they got last year. There are a lot of duplicating services between the Bureau of Customs, the Immigration Service, and the Harbor Police. We have in this bill increased the Coast Guard appropriations by \$15,000,000 or \$20,000,000. The Coast Guard patrols the harbors and could collaborate and help the Bureau of Customs in some of its duties and functions.

So I beg of you, in the interest of national economy which means national security to hold down this bureau to the amount of money that it used in the last fiscal year, or that we appropriated for it.

Mr. CANFIELD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I agree with the distinguished gentleman from Michigan [Mr. DONDERO] that many cuts can be effected by the Congress in the appropriation bills this year. I am sorry that our particular bill, the bill providing funds for the Treasury Department and the Post Office Department had to be the first bill to be considered.

The gentleman from Michigan read a report of the discrepancies between ap-

propriations in 1940 and those in 1952. There is one he did not read, and that is the appropriation for the legislative branch. In 1940 the appropriation for the legislative branch was \$24,324,851, and for 1952 the appropriation requested is \$73,334,906, three times the cost of 1940.

The Bureau of Customs is an important revenue producing and enforcement agency of the Treasury Department. Last year, it collected over \$400,000,000. This year it will probably collect over \$600,000,000. It enforces the many provisions of the Tariff Act, guards against the smuggling of narcotics and other contraband into the United States, and protects American industry from unfair competition from foreign merchandise. It also cooperates with the Agriculture, Commerce, Justice, and State Departments, and Atomic Energy Commission in enforcing laws and regulations of those agencies. Customs is a protective screen at our land, sea, and air frontiers. It has a special job to do in ship searches in cooperation with the Coast Guard, a highly sensitive undertaking in these days.

The Bureau of Customs' request for \$38,300,000 for 1952 was reduced \$800,000 by the House committee, leaving \$37,500,000 as the minimum recommendation sufficient for effective operation. It was with great reluctance that any reduction was made in the amount requested by this Bureau because of the serious and important workload with which it is faced.

Since 1947, the first normal postwar year, increasing imports into the United States have resulted in a 90-percent increase in the transactions handled by this Bureau. In other words, Customs workload has almost doubled in less than 4 years.

It would be reasonable to assume that personnel employed by the Bureau has therefore greatly increased. Actually, however, present employment is lower—5 percent lower—than it averaged in 1947. In other words, employment was reduced 5 percent, while workload rose 90 percent.

Customs has already cleaned house. In 1947, at the insistence of this Appropriations Committee, this Bureau undertook a full fledged management improvement program. A management engineering firm, McKinsey & Co. of New York, was hired to make a stem-to-stern study of the organization, procedures, and policies of the Bureau. The company rendered a nine-volume report containing approximately 180 recommendations for improvements and changes. Under the able leadership and guidance of the Secretary of the Treasury and Commissioner Frank Dow, these recommendations were evaluated and simplifications or improvements in service have either been effectuated or are in the process of being put into effect. These improvements assisted the importing public, facilitated the travel of tourists crossing our borders, and increased efficiency within the Customs organization. In addition, a proposed bill has been submitted to the Congress which recommends legislative simplifica-

tion of customs procedures. Your committee hopes that this bill will receive favorable consideration by the House at an early date.

Despite these improvements, during the past 9 months the impact of increased workload has been so great that Customs has been swamped all over the country. Imported merchandise has accumulated on docks, piers, and in warehouses resulting in delays to importers. In some instances, serious losses to American businessmen and lawsuits have resulted. Defense production may even have been affected. The Appropriations Committee has received complaints from importing groups and from domestic producers.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. CANFIELD. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. CANFIELD. These complaints have not been directed at the way Customs attempts to perform its job, but all agree that Customs needs additional manpower. Among those urging additional staff for Customs are the Commerce and Industry Association of New York, National Council of American Importers, Port of New York Authority, Customs Brokers and Forwarders Association of America, etc. The National Council of American Importers, after making a Nation-wide survey, has recommended that Customs should have \$42,000,000 for fiscal year 1952.

So serious is the situation, that a supplemental appropriation was made to Customs in January of this year to provide 207 more employees. At the present time, Customs is recruiting the manpower Congress authorized. Moreover, imports continue to increase and more than 600,000 transactions on which importers may owe additional amounts of money are backlogged. This condition cannot continue without seriously embarrassing the Federal Government and causing increasingly great hardships to industry.

The action of your Appropriations Committee is designed to hold the line at the level of employment presently authorized for Customs. To reduce the appropriations available to Customs below this level would aggravate an already serious situation. This Bureau must enforce the tariff laws and collect the revenue on importations, many of which are destined for defense production. They must therefore have the personnel and supplies to handle these imports without unnecessary delay to American industry.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from Michigan.

Mr. RABAUT. I want to commend the gentleman upon the extreme truth of his statement. The Detroit Board of Commerce has brought the same subject to my attention. I made a survey of the entire department in Detroit. It is

true, the work load has increased tremendously, and the personnel is below what it was before.

Further, if the Congress wants to inform itself on the situation, the Custom Bureau is intimately connected with the apprehension of the dope conditions in the country, and seeks to stop it. It is a great enforcement agency in that regard, and is very helpful in checking the traffic and apprehending those in the traffic in cooperation with the FBI.

If this Congress does not think that the people are interested in dope traffic and crime, read yesterday's paper, where it stated that shopping was stopped in New York because of the Kefauver investigation in that city.

The gentleman from New Jersey [Mr. CANFIELD] has made a wonderful statement, and I want to commend him for it. I want to commend him for his defense of the department.

Mr. CANFIELD. Not only that, may I say to the gentleman from Michigan, but the mothers of the city of Baltimore met in a mass meeting last night to urge our Federal and local governments to do more than they are doing to stop this great menace of drug addictions.

May I say also that customs has a very sensitive undertaking in these days preventing fissionable material from going out of the United States, and preventing certain types of material from coming into the United States.

Mr. GOSSETT. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield.

Mr. GOSSETT. So much has been said here about the narcotic business. Do we not have a Bureau of Narcotics, whose primary duty it is to enforce the narcotic laws?

Mr. CANFIELD. Yes; and that is within the confines of the continental limits of the United States. The gentleman understands that the customs service searches the ships that come to the United States ports.

Mr. GOSSETT. Does the gentleman know of any case in the last year where any customs official has apprehended violators of the narcotic laws?

Mr. CANFIELD. Scores and scores of them. The gentleman can read the New York metropolitan newspapers to verify that.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from New York, who knows the story on that.

Mr. ROONEY. The customs service in the port of New York is continually making apprehensions with regard to narcotics.

Mr. CANFIELD. Yes; almost every other week.

Mr. TABER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, there is no question but what this amendment needs to be adopted. The committee itself has put its finger on the real why and wherefore as to why things are not taken care of and why they are not able to get along with the help which has been

provided. I turn to page 8 of the committee report and I read:

The committee is greatly concerned over the management-improvement program in the Bureau and is convinced that there is not enough energy being expended to put long needed operating reforms into effect.

There you have the story.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. RABAUT. How much did the committee cut them?

Mr. TABER. Just a little bit.

Mr. RABAUT. How much is it in amount?

Mr. TABER. I have the figure here. They cut it \$800,000.

Mr. RABAUT. That is the answer.

Mr. TABER. This amendment only puts them back to this year. All they need to do is to follow the advice of the committee, and have some efficiency in their operating and we will not have any trouble about them getting along with the money which will be provided by this amendment.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. ROONEY. Does the gentleman presume to know more about this appropriation for the Bureau of Customs than his colleague the gentleman from New Jersey [Mr. CANFIELD], who has served on this subcommittee for a number of years, who has done a fine and intelligent job, who was the subcommittee chairman during the Eightieth Congress with regard to this bill, and who is now in complete agreement on this item with his chairman, the gentleman from Virginia? Why does the gentleman presume to know more about this than those two gentlemen who were in attendance at the hearings on this item?

Mr. TABER. I do not presume to know. I take the committee's word, and as I read it to you, it does not agree with the position that they are taking. Why do they not take what the committee says instead of going back on what the committee says? Why do they not accept what the committee says and accept this amendment? It does not make sense.

Mr. ROONEY. Why does not the gentleman take the word and advice of the gentleman from New Jersey [Mr. CANFIELD] with regard to it?

Mr. TABER. Because he said in one place they are not operating with proper administrative reforms and then in another he tries to give them more money than they are getting. The two do not go together. The committee cannot cut here in good faith, in my opinion, and urge the larger appropriation. I believe that we need in the House and in the Congress to show some evidence of ability to read and understand what the committee says.

Mr. ROONEY. Surely the gentleman is not impugning the good faith of the gentleman from New Jersey?

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. KEATING. I would like to give a little solace to the gentleman from New Jersey [Mr. CANFIELD]. In his remarks he said he thought it was unfortunate that the Treasury and Post Office bill was the first one to come before us. I believe, and I think the gentleman from New York [Mr. TABER] may agree, that this particular subcommittee in trying to sustain this bill are unfortunate in having the bill come before us first because if I correctly appraise the temper of the House today, it is that they are going to cut all of these appropriation bills which show the need for cutting, and this action today of this committee should be a warning to all other subcommittees to do their cutting and bring these bills down in line, before they are brought to the floor of the House for action. I feel sure the gentleman from New York would echo those sentiments.

Mr. TABER. I feel that that is absolutely necessary and that we should not go ahead and provide more money than is necessary for these agencies.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. H. CARL ANDERSEN. We of the full committee cannot agree 100 percent with any bill brought in by another subcommittee which calls for an addition above last year of \$88,000,000. That is my contention.

Mr. TABER. I think that is right.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. CANFIELD. The gentleman from New York [Mr. KEATING] is offering me solace. I do not have to have any solace. I was chairman of this subcommittee in the Eightieth Congress, and I and my committee were responsible for the 10 percent cut in the Customs appropriation and the investigation by the McKenzie Co. We made the cut of 10 percent and made them like it. Since that time they have reorientated themselves and done a job. Today I know they are backlogged and need additional help.

Mr. TABER. If they had done a job the committee would not have to say what I just read.

Mr. RABAUT. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, if the last speech had not been made by a man whose great ability and entire familiarity with matters pertaining to appropriations I know, I would not be taking the floor to express my surprise. The gentleman from New York has written perhaps as many phrases and paragraphs in reports as any man in this House; he has done admirable service in this House. But what is going on here today is just a blunderbuss cut any place where anybody happens to strike regardless of the justice and regardless of the effort and regardless of the opinion of the Members who are familiar with and have devoted themselves to the proposition.

Further, over and above that, this bill has run the gantlet of the full committee. Downstairs there was no at-

tempt made to cut this bill. To come here on the floor and have different Members nick it here and nick it there just for the purpose of politics is something that should not be tolerated and should not be continued in serious matters of appropriations, done for the purpose of misleading the people of the United States of America.

Now, let us get right down to facts. We had an experience of this kind once before, but when we came back here in the Eighty-first Congress we had deficiency bills every day in the week, due to cuts that had been made in the Republican Eightieth Congress, purporting to be, at the time that they were made, a service to the people, only to emerge as an empty gesture to fool the taxpayers of America. It is on the record in black and white, passed by this House in the Eightieth Congress and corrected by this same House in the Eighty-first Congress when the agencies of the Government had to be continued and there was no other way to continue them than to give them the money necessary for the business at hand.

I am afraid, Mr. Chairman, we are stooping to the same thing again in this Congress, and I beg the people of America to watch what will be done in the Senate and how these bills will come back to this floor and how they will eventually be passed in honor and in decency to continue the agencies of the Government.

Mr. COX. Mr. Chairman, I move to strike out the paragraph.

Mr. Chairman, if "the little nicking here and the little nicking there" spoken of by the gentleman from Michigan, has so disturbed him as he has evidenced here on the floor, then when he sees "the nicking here and the nicking there" that is going to take place on later bills it will be enough to drive him crazy.

Mr. Chairman, I take it that the committee will accept the amendment offered by the gentleman from Texas and that other amendments will be adopted. But I have taken the floor to counsel my like-minded friends now on the march to observe caution and moderation. Public opinion is involved; and while they have the support of public opinion at the moment, it is a fickle thing and it might desert them. No indication of vengeance must be shown.

And to those who give blind support to the regime now in control but in retreat and whose ranks, I may say to the gentleman from Michigan, are going to grow thinner and thinner as this campaign for the salvation of the country progresses, that what he is witnessing here on the floor this morning, which causes him such indignation, is but a mild expression of the wrath that has been built up in the bosoms of loyal, rationalistic thinking people who have seen their country brought to the brink of ruin by those who have held to the doctrine that the more the Government spends the more it has to spend—people whose thinking has been a little different from the thinking of the Socialist Government of England and the advanced Socialist Government of Russia.

There is no particular feeling in this House against the Treasury Department; yet no one would contend that it is the depository of all wisdom. The Treasury Department has done a reasonably good job, but that it is greatly overstaffed there can hardly be any doubt.

As I stated, what we are doing here this morning is but an indication of what is to follow. Wait until we reach the State Department, the cost of administration of which has run up in the past 10 years from \$20,000,000 to \$360,000,000, and witness the disrobing of an aggregation of frauds that will take place.

The fight for good government has just begun. I believe it is the will of this Congress to do that which is necessary to save this country from complete wrack and ruin.

Mr. RAYBURN. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, my beloved friend from Georgia yesterday, as I understand it—and I just thought we might throw a little levity into this because we are getting so serious—spoke something about a honeymoon being ended. When I note the crossing of the aisle here and the conferences that are being held, it is my opinion that the honeymoon has just begun.

I trust that in your temporary enjoyment you are very happy and contented.

Mr. HALLECK. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, possibly adding something further to the levity of the moment, and possibly adding something on the serious side also, may I say only that if there has been some determination demonstrated here in the House of Representatives to achieve economy in Government, justified economy, then I trust it shall not be a honeymoon soon to be ended. Rather, I hope it points the way to a continuing determination for economy which will be carried on all through this Congress as we appropriate the people's money for the necessities of the Federal Government.

Some reference was made by the gentleman from Michigan to certain cuts that were made by the Eightieth Congress. As the majority leader of that Congress I am still happy to observe that we cut the proposed budgets in those two sessions of the Congress something over \$7,000,000,000. It is true that subsequent deficiency appropriation bills did indicate a few mistakes were made, but the sum total of the deficiencies subsequently made did not begin to approach the cuts that were made in those budgets in the Eightieth Congress.

By the same token, let us not be too thin-skinned about making some cuts in these proposed budgets, because if we have to we can supply whatever is needed by proper deficiency appropriations. But at the same time as we make these cuts, let us not say to the people who are going to spend the money: Just go ahead, pour it down the rat hole anyway because all you have to do is to come to the Congress when you want some more. That may not work.

Let us say to them: You people who are running the Government of the United States, who are spending the people's money, tighten up your belts like you are calling on the people of the country to tighten their belts. Why? To meet the increased cost of living and to meet the increased burden of taxes that will be constantly heaped upon them as long as the Government of the United States continues to spend money the way it has. What manner of Government is it that says to the people: "You have got to get along with less," and then demonstrates such a thin-skinned attitude in saying to the people of the Government who spend the people's money: "You do not have to get along on less." I would say to them as we say to the people in the country, we have all got to tighten our belts; we must tighten our belts if confiscatory taxes are to be avoided, if the value of the dollar is to be preserved and if we are to prevent runaway inflation.

As far as the Committee on Appropriations is concerned, no one appreciates more than I the high-minded and fine work that is done by the members of that great committee; the long hours and days that they sit in hearings listening to the witnesses before them. For the work that they do, certainly they are to be commended; but there are other great committees in the House who likewise spend many days in hearings and who become expert about the matters that come before them. Sometimes they are not quite in step with the membership over-all of the House of Representatives. I have served on legislative committees, and I have come in here with my committee presenting a matter believing that we were expert in it and that the House of Representatives as a whole should not pass any further judgment upon it. But I have been stepped on a time or two, just like the Committee on Appropriations, now and then, just cannot always sustain the position it takes. Certainly no one means a personal thing in the attitude he takes on appropriation bills; that would be the last thing anyone would do. Certainly it is no lack of confidence in our great Committee on Appropriations or the men who make it up. For the gentleman from Virginia [Mr. GARY] and the gentleman from New Jersey [Mr. CANFIELD] I have the greatest respect and admiration, but as a Member of this body, with my responsibility to the people I represent in my State and Nation, I am going to exercise my judgment here.

Some reference has been made to so-called blunderbuss operations. I think that was made by the gentleman from Michigan. Now I have been here on the floor, I have heard these amendments explained by each of the Members who have proposed them, and I must say I am convinced that they have given thought to every one of them. They have demonstrated a knowledge of what they are proposing and talking about. They know what the problem is. It is evident to me that a lot of work has been done in connection with these proposed amendments. It is not a blunder-

buss operation. On the contrary, these amendments have been carefully thought out and well presented, and the arguments for them well presented. The best evidence of that fact, in my opinion, is that the amendments have been adopted, and I trust they will be sustained. I agree with the gentleman from Georgia that whatever is done ought to be done carefully and with due consideration, but, at the same time, let us not hesitate to do whatever is necessary to be done.

(Mr. HOFFMAN of Michigan asked and was given permission to revise and extend his remarks.)

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, with reference to the statement made by the gentleman from Michigan [Mr. RABAUT] as to blunderbuss operation these amendments have been rifle-shot procedure, directed to specific situations where savings can be made without injuring any service. I might add, and most respectfully, that I do not accept the gentleman's statement that those who want to cut these appropriations are acting from political motives. It may be that we have the desire of our people for economy in mind. It is my purpose to go home this Easter vacation and I would like to tell the home folks, the people who pay for the bills, that I voted to go along with their hope there would be a cutting of expenditures. They pay the bills. They have the right to demand economy on the part of their servants as prices go ever higher. That is not necessarily political, though continued wasteful or even unnecessary spending may and it should have political results. I cannot understand why the gentleman made that charge, not only against those on the left but those in his own party who have been voting for cuts. Please sometime give us consideration for trying to do our duty.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Michigan.

Mr. RABAUT. The shoulders of the gentleman from Michigan [Mr. RABAUT] are broad, but I stand in the unique position of having succeeded in passing one of the biggest cuts in appropriation in the bill last year through an amendment reducing appropriations in the sum of at least \$550,000,000.

Mr. HOFFMAN of Michigan. The gentleman was not acting politically then, was he?

Mr. RABAUT. No.

Mr. HOFFMAN of Michigan. Why not, then, concede to us the same privilege, the same good intentions now.

Mr. RABAUT. Because I thought I knew something about it, and over and above that cut the committee had reduced appropriations in the committee of \$3,200,000,000. So, if there are spendthrifts, look elsewhere. I have been cutting appropriations for years; and I want to say further that my particular subcommittee made the greatest percentage cut last year.

Mr. HOFFMAN of Michigan. Now, I will frankly admit that I do not know everything about these appropriation bills, but here is one thing I do know. If we are going to make appropriations we have to have the money or have some idea of where it can be obtained. If one knows how much he has in his pocket he knows how much he can spend, how much he should spend, regardless of who wants what.

Permit me now to refer to the remark made yesterday by the gentleman from Georgia [Mr. Cox] to the effect that the New Deal honeymoon was over.

Permit me to congratulate the Speaker, our respected and beloved Speaker, on his well-known sportsmanship when this morning he came before the House and congratulated us, those of us who advocate this program of living within our income, on the fact that this program of spending and taxing, and much of the time for things that are not needed, is over. The Speaker, if I understood him, wished us joy. That we will have if we finally manage to live within our income. The Speaker exhibited his usual sportsmanlike attitude. Not only that, but a high degree of knowledge of what the people intend to have—economy—the people are sick and tired of the present administration's way of doing things.

Another thing that is encouraging to me is that when the prayer was offered this morning by our visiting chaplain, he did offer a prayer not only for the Speaker and Members of the House but the chaplain made special mention of one of our Members, after congratulating the House upon having the gentleman from New York [Mr. EDWIN ARTHUR HALL], a gentleman whom I greatly admire, with us as a colleague. Some of my colleagues expressed the thought that the rest of us should have been mentioned, but I call their attention to this fact, and it is a fact, that apparently the chaplain did not consider it necessary to pray for or congratulate the people upon the presence of the rest of us, except as a group. Evidently the chaplain lives in the congressional district of our colleague and having personal knowledge of the gentleman's worth and service wished to express his appreciation of our colleague's service to his district and the Nation.

Let us now proceed with our economy drive.

Mr. BENDER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, commenting on the last statement of my friend, the gentleman from Michigan, I think rather than praying for any Member of this House the country needs to be prayed for because the country is being preyed upon.

Yesterday at a meeting of the Hardy subcommittee, it was brought out that three gentlemen in Hazleton, Pa., got the green light from the National Production Authority to borrow \$7,800,000 on an investment of \$600. As a result of that hearing, page one of every newspaper in the country is carrying the story of the agencies of Government permitting this crowd to get from the

Government almost \$8,000,000 on an investment of \$600. You can understand readily why the American people have the impression that we are running a screwy business down here.

I have great respect for the chairman of this subcommittee, the gentleman from Virginia [Mr. GARY]. As a matter of fact, I know he is an outstanding gentleman. I was in his Sunday school class 20 years ago in the city of Richmond. I have great respect for the gentleman from New Jersey [Mr. CANFIELD]. I know they are both honorable gentlemen, but I am sure they do not know all the answers.

We need to do some cutting here. Why? Because all over this country little companies are going busted since they cannot stand the gaff, they cannot pay the freight. Our Washington fiscal policy is too heavy a load to carry.

I have here in my hand a collection of auction notices. They represent only a very small fraction of the total number of businesses that have gone under the hammer in the last few months. Every one of these is a small business plant. They have gone down into bankruptcy or into voluntary liquidation because they could not get materials, or because they could not make ends meet under our present tax program, or because they simply got fed up with working under a system which crushes all incentive by making it risky to expand and unprofitable to keep going.

Every one of the sales that I have here involves plants using fine machinery. These plants have now gone out of existence. Their machinery may be used elsewhere, but every time that this happens a part of the American way of life is destroyed. We believe in small businesses. We like to see them established and we like to see them grow. Small businesses that grow are part of the opportunity system.

We have created in our country today a taxation program which makes it almost impossible to attract investors. They are not going to risk losing their savings when they know that they are going to be taxed out of any profit they may happen to make. They are not going to keep small businesses going when they cannot get materials.

This is our biggest industrial problem today. We need the skills and specialized abilities of our small plants to meet the defense requirements of our country. But we are not lifting a finger to keep them in operation. We have not set up a coherent, sensible plan to keep them supplied with their requirements for existence. Until we make up our minds to do these things, until we work out a tax program which encourages investment instead of one that kills it, we are going to have more and more of these auction notices. Let us not sell America under the hammer. We must work this problem out, and soon.

I say what we are doing here today in cutting appropriations, call it politics if you will, is good politics. It is good politics for Members of Congress to re-examine every appropriation and let the people back home know at least that as

far as the elected Representatives here in Washington are concerned, we are not being extravagant and are not making these loans and are not approving expenditures which are excessive, and which are way out of line with all reason. You have these little businesses in your community which just cannot stand up under all this. I say that what we are doing here, Republicans and Democrats alike, is entirely in order. We are spending too much money. I say not only should we examine the nondefense departments, we should also examine the defense departments. When I go to a restaurant downtown and see a liveried chauffeur take five or six brass hats down to the Occidental Restaurant or to the Mayflower Hotel, or some other place, at the taxpayers' expense, my blood boils because I know the taxpayers are being taken for a ride. I say it is too expensive for some of these military people to call a boy into the service and within 36 hours send him to New York and to Seattle, Wash., and to Norfolk, Va., and then back to Seattle, Wash., and then back to New York. What kind of dizzy business is that? Is that adding anything to the sum total of benefit to the country? Is this defense or is it a comedy of errors? A terrific waste of taxpayers' money.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. FOGARTY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not believe any Member would quibble about the right of any Member of the Congress, whether he be a member of the Committee on Appropriations, or any standing legislative committee, to offer an amendment on legislation or on an appropriation bill. But I do know, as a member of this Committee on Appropriations for the past 5 years that it is not an easy job to sit in a subcommittee for 7 or 8 weeks attempting to do the best job that you can, questioning every witness who appears before the committee and attempting to make a cut where it is possible without denying sufficient funds to that particular agency which would enable them to operate properly and efficiently in the next fiscal year.

In regard to what has just been said my good friend, the gentleman from Ohio [Mr. BENDER], about the complaints of small businesses going under in this country, I believe the main reason they are going out of business is because of the emergency program we are going into at the present time. The last figure I have from the Department of Commerce was that 99 percent of all the defense contracts that have been let out up to this date have been given to big business while we in the Congress have not done a single thing about it. The same situation existed when we got in the last war in 1941. At that time 99 percent of all defense contracts was being given to big business and it was not until the Congress in 1941 established a smaller war plants corporation that the small businesses of this country got a decent, fair break. They are not getting any break now, nor will they get any break in the future unless we as Members of

Congress enact legislation similar to that which we enacted in the last World War to see to it that some of these prime contracts which are given to big business at the present time are broken up and distributed to the smaller plants. In that way we can guarantee to them sufficient business to keep them going. When they get these contracts they will get the material to perform the work and produce the goods as big business gets its material at the present time.

A lot of bouquets have been thrown at my good friend the gentleman from New Jersey [Mr. CANFIELD], and my good friend, the gentleman from Virginia [Mr. GARY]. I can honestly say, knowing Mr. CANFIELD as I have for the last 11 years, that I have never met a more conscientious individual on either side of the House. As a member of the Committee on Appropriations I remember him well as chairman of this very same subcommittee during the Eightieth Congress. I think he made a splendid case here this afternoon against this cut when he said it was at his instigation as a chairman of the committee that he started the so-called McKinsey investigation. It was because of that investigation that a number of jobs were eliminated and that that particular department in the Customs Service is getting some efficiency. So far as my friend, the gentleman from Virginia is concerned, there is no man in the House who is more economy-minded than he is.

But, Mr. Chairman, we are up against some impossible things here. In my own committee it was only a year ago last August that the House of Representatives—not this Congress, but during the last Congress—unanimously, not only authorized an expenditure of \$150,000,000 for hospital construction all over the country, but by-passed the Committee on Appropriations. The House not only authorized it but appropriated \$150,000,000. They raised that authorization from \$75,000,000 to \$150,000,000. It was only a few months ago that we completed action on the amendment to the old Social Security Act. These things are before us now. We have to pay for these things. It was only a short time ago that you raised the minimum wages in this country from 40 cents to 75 cents an hour. It takes money to do all these things. But many of these bills were passed by the House unanimously, as was the case in regard to the hospital-construction bill.

I think it is a good bureau. I think it is needed. The results that have been shown in the past 3 or 4 years have not been equaled by any other agency in this Government.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. In just a moment.

Mr. JUDD. I would like the gentleman to yield for a correction.

Mr. FOGARTY. Only last fall when you people passed the Federal impact area aid bill for school construction I opposed the amendment on the floor; but you overrode me by a vote of 4 to 1, when you increased the authorization from \$12,000,000 to \$21,000,000.

The CHAIRMAN. The time of the gentleman from Rhode Island has expired.

Mr. FOGARTY. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FOGARTY. That amendment was passed by this last Congress by a vote of 4 to 1 when I opposed the amendment; and as a result we have in this bill about \$75,000,000 for school construction in areas like the atomic-energy plant in North Carolina and in Paducah, Ky., and in all these Federal impact areas; and that is an expense that you Members put on the Appropriations Committee by your action only last December.

Those are some of the things that we are up against. I do not believe there is a member of the Committee on Appropriations of the 50 who constitute its membership serving now who want to vote to increase any budget estimate which was sent up here for fiscal 1952; I think they all want to show some cuts. I think they are doing a good job. It is a hard job; it is not an easy job, and I think that these men sitting on this subcommittee really know what is going on in these departments, because it is their job to question these agencies and to eliminate unessential jobs wherever they find them.

Mr. JUDD. Mr. Chairman, will the gentleman yield now?

Mr. FOGARTY. I yield.

Mr. JUDD. I just wanted to comment on the gentleman's statement that the bill expanding the Hill-Burton program of Federal aid for hospital construction was passed unanimously; as a matter of fact, a good many of us opposed it and spoke against it, not because we were not in favor of the objectives of the program but because we thought we could not afford it. It is my recollection that almost 100 Members of the House voted against it. Its passage did cause a material expansion of the program and, as the gentleman has described, we now find ourselves bound by the action of a previous Congress.

Mr. FOGARTY. That is right, but there was no record vote, no division vote.

Mr. JUDD. Yes; there was a record vote. I have a vivid recollection because I was reminded of it several times in the last campaign.

Mr. FOGARTY. The gentleman may be right and I may be wrong; I will accept the gentleman's memory.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. HALLECK. The gentleman spoke about the Smaller War Plants Corporation set up during World War II. I might suggest to the gentleman that the House Small Business Committee, of which I am a member, has proposed legislation, and there is also legislation before the Banking and Currency Com-

mittee, to do very much the same thing under the present situation. I trust the gentleman will join with me in trying to get hearings before that committee.

Mr. FOGARTY. I will do everything I possibly can. The figures I quoted as 98 percent were figures I got from the report that was issued by the gentleman's committee about a month ago.

In regards to the statement I made on the vote for hospital construction, I find after looking at the record that there was a record vote on October 3, 1949, under suspension of the rules in the House. The vote was 237 for authorizing \$150,000,000 a year for 5 years for the construction of hospitals and only 43 against. That is the record.

Mr. ROONEY. Mr. Chairman, I rise in opposition to the pro forma amendment.

(Mr. ROONEY asked and was given permission to revise and extend his remarks.)

Mr. ROONEY. Mr. Chairman, I enjoyed listening to the remarks of my good friend the economist and gentleman from Ohio [Mr. BENDER]. It is seldom that I have had occasion to agree with him on this floor on any subject.

Mr. Chairman, if we are to follow the senseless method of alleged economy that is being pursued here today we are on the march to wreck the very security of this Nation. You would not dare stand up here and vote to cut appropriations for the Federal Bureau of Investigation, and you have no more right to cripple and viciously cut this appropriation for the customs service. You propose to cut a million dollars out of this item in the face of the unanimous agreement of all the members of the subcommittee, both minority and majority, who sat for 6 weeks from 10 o'clock every morning until 4 or 5 o'clock every afternoon, who really know the facts and details with regard to this matter. In what sort of business is the customs service engaged? Why, in the fiscal year 1950 there was collected for the account of the taxpayers of this Nation \$422,650,329 in customs receipts as shown in the table at page 59 of the hearings. The total appropriations recommended by this committee for the coming fiscal year for the customs service is in the amount of \$37,500,000.

Do you not realize that this further cut of \$1,000,000 beyond the \$800,000 cut recommended and approved by the full Committee on Appropriations would actually cripple this service insofar as the ports are concerned, not only where the ships dock but where the airplanes land and trains arrive, but also the borders which have to be guarded and protected?

In what sort of business is the Bureau of Customs engaged? During the 6 months' period from July to December 1950, 49,717,640 persons entered the United States. During the first 6 months of the fiscal year 1951 over 13,737,000 carriers of persons or merchandise entered the United States by plane, by ship, by auto, and so forth. There were over 630,000 formal entries declared during that same 6-month period. There were packages examined in the public stores

of the service to the extent of over 351,000. I have given you just part of the workload of this bureau as shown in the committee hearings.

Is it sensible economy to cut this appropriation and cripple the Bureau of Customs which protects our borders against contraband, against dope, against narcotics, an agency which is responsible for over \$422,000,000 a year in customs receipts? You can call it politics, you can call it whatever you want, but, Mr. Chairman, with a possible war on the horizon and the matter of the security of our great ports involved, if it is good sense to vote for this amendment I just do not know what it is all about.

Mr. GARY. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I want to explain to the House what has been done by the committee with respect to the Bureau of Customs. The customs receipts for this fiscal year to date are \$445,837,631.22. There are still 3 months remaining. This compares with \$422,650,000 for the entire year 1950. It is estimated that there will be a further increase of receipts for 1952.

The congestion and delays at the ports became so bad this year that the committee received numerous requests from all over the United States to increase the customs force. In response to that demand we brought in a supplemental assessment recently to increase the force for the balance of fiscal 1951 because the emergency was so great we did not feel we could wait until 1952. At that time the Bureau of Customs requested 311 additional employees to handle this additional workload. The committee allowed them 207, which was approved by both Houses of the Congress.

The Bureau requested 109 additional personnel for 1952. We did not allow the additional personnel in this bill. We struck out all additional personnel. We did allow them to project the 207 additional employees which were authorized in the supplemental assessment into 1952. Naturally that resulted in some increase in the appropriation because those 207 employees will be paid only for several months of service in 1951. When we projected them into 1952 on a 12 months' basis it meant an increase.

That is the only additional amount that our committee has allowed for 1952, merely the projection into 1952 of those additional employees which have already been authorized by the Congress in a supplemental assessment heretofore passed by both Houses of the Congress.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. Nevertheless, the gentleman will agree that if the House accepts the amendment offered by the gentleman from Texas, it will give to the Bureau of Customs exactly the same amount of money that it had available for 1951.

Mr. GARY. That is correct, but it will not permit them to carry over into 1952 the personnel which was authorized in

order that it might clear the congestion at the ports.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from California.

Mr. HINSHAW. We held some hearings in my committee on the subject of the export of strategic materials and the control thereof. It seems to me, if I remember correctly, that it was up to the Customs Department to cooperate with the Commerce Department in preventing the export of strategic materials; is that correct?

Mr. GARY. That is unquestionably true. That is one of the major functions they are performing now, preventing strategic materials from being shipped into the iron-curtain countries.

Mr. HINSHAW. That is my understanding of it; and if that is the case, and considering all the ways there are of smuggling goods out of the United States—

Mr. GARY. And smuggling goods into the United States without the payment of duty, if the gentleman will permit me to interrupt.

Mr. HINSHAW. The gentleman has mentioned that subject. I was bringing up a different subject. If that is one of the things necessary to the welfare of our country, it is quite possible that we might need some additional customs employees.

Mr. GARY. I think the committee has cut this appropriation as far as the facts justify.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. WERDEL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the proposed budget not only can be, but, of necessity, it must be cut. I cannot help but take the floor for a minute or two because of the remark made about the use of a blunderbuss, which I take to mean that when we fire we do not know where we hit. Now, the fact is that if we had a line-item budget of this great United States so that we could determine who should be hired and retained and fired, it would probably reach from here to Philadelphia, and might even extend to the moon. There is not one mind here capable, with the time at hand, to read it in all its detail.

We must rely on individuals whose ability and knowledge we respect and who are personally studying a small part of that budget.

Mr. Chairman, I am happy to go across the aisle and join hands with the gentleman from Texas. I am all for the wedding previously mentioned and all for the honeymoon at the taxpayers' benefit. In fact, I first registered as an elector in what is the opposition party of this House because I felt that a political technique when it was new born in 1932 had to be opposed. The evidence I have at hand that my decision was correct is overpowering today. For that reason, I want to call to your mind and say to you that perhaps the budget cut now under consideration and many others to come, is not enough and that it should be deeper. The political technique that we

have been operating under for about 20 years was prophesied by Lord Macauley as the philosophy that would destroy us in the twentieth century when we would follow economic demagogues.

If we want to know what government is costing through secret taxes, income taxes, excise taxes, and others, the only way an honest man can determine that question is to divide the heads of families in the respective communities into the amounts spent by the various agencies of the Government. I live in a medium-sized city. As the average head of a family in my city I now pay over \$300 a year for city government, and every year they ask for more. Every year, because of matching programs and "gimme" programs, they get more. As an average head of a family in my home county, I pay about \$450 a year taxes. Every year they want more because of matching programs and "gimme" programs, and every year they get more. As the average head of a family in the great State of California, I am expected to pay about \$1,000 a year. Every year they want more because of matching programs and "gimme" programs and every year they tax more. As much as 85 percent of some of our State budgets are now expended for relief and schools alone. I have been in school rooms, gentlemen, that cost 15 times as much as the homes in which the children live, who spend a few hours in the class room. As an average head of a family last year, the National Government collected from me the amount of \$1,285, as it did from every other family in America. After that gentlemen, this National Government spent \$1,000 per family more than it was able to collect in taxes after our policemen went to Korea last year.

Mr. Chairman, we now propose to spend about \$125,000,000,000 for local, State, and National Government in the coming year. That, sir, is over one-half of the total national income. It is little wonder that there is a wedding across the aisle of this House. It is to be hoped that the honeymoon will be long and extended. If men are to remain free, they must live according to laws and not executive decrees. My party, the organized opposition party, must oppose legislation and appropriations which are improper or which cannot be understood. This is not a privilege, but a duty in the interest of the economy of the country and the welfare of the Nation. If the organized opposition under present-day circumstances cannot receive assistance from across the aisle so that new equitable rights in an industrial and peacetime economy can be defined, then Mr. Chairman, we are lost through demagoguery.

Mr. Chairman, free government is lost when Representatives in this House, knowing the circumstances and the necessity for opposition, regardless of party alinement, refuse to oppose. The very man who purportedly speaks for the majority party as its national leader told us a year ago that he was going to increase the national income to \$300,000,000,000 and the annual average salary to \$3,500. He knew that many Americans would credit him with being a statesman and that his purpose was

to increase the national income to that extent. He did not mention the fact that he was proposing and stimulating a tax burden approaching the sum of about \$3,000 for many families in America. He did not admit that he was Lord Macauley's demagog, decreasing the value of the dollar for political purposes.

Yes; the wedding is taking place. It is real. It is necessary. I joined the opposition party and am going to stay in it for the very sound and good reason that you no longer have an executive head exercising the power of the majority party. Our Executive is the titular head of pressure-group government. He has stolen the machinery of the majority party from its national level to the local precincts. He basks in the sunlight of its fine old traditions and sound principles. But the demagog in power operates with a dogma, which says that the American people are no longer fit to be free; a dogma which says it is all right to covet your neighbor's goods so long as you do it by pressure groups, power-seeking labor leaders and political machinery; a dogma that says it is all right to steal provided you use only economic force and operate through bureaus or demagogues and chicanery.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. GOSSETT].

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 82, noes 51.

Mr. GARY. Mr. Chairman, I demand tellers.

Tellers were ordered; and the Chairman appointed as tellers Mr. GARY and Mr. GOSSETT.

The Committee again divided; and the tellers reported that there were—ayes 118, noes 70.

So the amendment was agreed to.

The Clerk read as follows:

BUREAU OF INTERNAL REVENUE
SALARIES AND EXPENSES

For necessary expenses in assessment and collection of internal-revenue taxes; administration of the internal-revenue laws; discharge of functions imposed upon the Commissioner of Internal Revenue by or pursuant to other laws; investigations concerning the enrollment or disbarment of practitioners before the Treasury Department in internal-revenue matters; and acquisition, operation, maintenance, and repair of property under title III of the Liquor Law Repeal and Enforcement Act (40 U. S. C. 304f-m), including expenses, when specifically authorized by the Commissioner, of attendance at meetings of organizations concerned with internal-revenue matters; purchase (not to exceed 300 for replacement only) and hire of passenger motor vehicles; examination of estimates of appropriations in the field services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), and of expert witnesses at such rates as may be determined by the Commissioner of Internal Revenue; expenses of seizure, custody, and disposal of property; purchase of chemical analyses and expenses of testimony thereon; ammunition; securing of information and evidence; and not to exceed \$500,000 for detecting and bringing to trial persons guilty of violating the internal-revenue laws or conniving at the same, as authorized by law (26 U. S. C. 3792); \$252,000,000: *Provided*, That the amount for personal services in the District of Columbia shall not exceed \$17,700,000.

Mr. WIGGLESWORTH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WIGGLESWORTH: On page 5, line 20, after the semicolon, strike out "\$252,000,000" and insert "\$249,000,000."

Mr. WIGGLESWORTH. Mr. Chairman, listening to some of my good friends on my right this morning, I would think that some of the amendments discussed were amendments designed to wipe out the various agencies concerned. As a matter of fact, no amendment adopted today has amounted to more than a trifling reduction in terms of percentage.

There are several over-all considerations of vital importance at this time.

The Congress is confronted by an over-all budget request from the President of the United States amounting to some \$98 billion in authorized expenditure and to some \$71 billion in actual expenditure, the largest budget ever presented to the Congress except in time of war.

If that program is not substantially reduced it may contribute to a drastic nationwide inflation and play directly into the hands of the Communist government in Russia.

The first appropriation bill which is now under consideration recommends a reduction in Presidential recommendations only to the extent of a little over 1 percent, and provides for actual increases as compared with funds available in the current fiscal year amounting to some \$88 million.

As to this particular item, if I read page 210 of the hearings correctly, there was requested an increase as compared to the present fiscal year from \$246,800,000 to \$255,500,000 or some \$9,000,000. Yet, when I turn to the report of the committee, at page 9, I find that after a reduction of \$3,500,000 recommended by the committee, this Bureau will have \$10,454,000 more than it had in the current fiscal year.

In other words the committee recommendation allows the Bureau \$1,500,000 more than the \$9,000,000 increase which it requested, and this amount can clearly be deducted.

Now I know my good friend, the gentleman from Virginia [Mr. GARY] for whom I have both high regard and affection, will tell you that the more personnel employed in this Bureau the more money you are going to collect. But, Mr. Chairman, there must be some limitation.

In the fiscal year 1949 this Bureau got along with a personnel of 50,600. We gave them an increase of almost 4,000 for the fiscal year 1950, raising the personnel to 54,411. Then for the current fiscal year we increased the number to almost 57,000, a figure which in my judgment was unjustified when granted.

The appropriation for the Bureau has increased from \$230,400,000 in 1949 to \$246,800,000 in 1950 and \$252,000,000 if the committee recommendation be approved for the fiscal year 1952.

The cut which the committee proposes plus the additional cut that I recommend would amount together to only a 2½ percent over-all reduction in the request

by the Bureau. It would still leave the Bureau with some \$7,500,000 more than it had for the current fiscal year, as compared with the increase apparently requested of \$9,000,000. It seems to me that the various plans which the Secretary has in mind for simplification and for modernization should make it possible to easily absorb this reduction and obtain the same or more work with the personnel provided.

I hope, Mr. Chairman, that the committee will see fit to approve this reduction in the amount recommended for the Bureau.

Mr. KEAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I happen to be on the subcommittee to investigate the workings of the Internal Revenue Bureau. They have 2,500 racketeering cases under investigation. In 500 of these cases \$58,000,000 of revenue is involved. The investigation of racketeers which has been brought out by the Kefauver committee is extremely important, very time consuming, and needs more agents. This amendment for a cut of \$3,000,000 would result in the cutting off of 850 agents.

We have had before us in the full Ways and Means Committee the Alcohol Tax Unit. We are talking, as you know, about raising the tax on hard liquor—at least the President recommended it—from \$9 to \$12. This will encourage bootlegging. I personally think it is too great a rise, but the Alcohol Tax Unit said that they needed a hundred more agents in order to carry out the extra work that might be thrown on them on account of this increase in the tax.

I have voted for economy right down the line, and I have gone along with you on every one of these amendments today and yesterday, but these people are the people who are going to raise the revenue to run the expanded needs of Government. I think, however, that if we cut this unit by cutting out these 850 agents it is false economy because we are not going to get the revenue we need. We in the Ways and Means Committee are sweating every day trying to find sources of revenue which will not injure the economy too much. If we do not raise it, and the only way we can collect what is due is through having sufficient agents, certainly we are just going to have to raise more taxes on everybody.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. KEAN. I yield.

Mr. CANFIELD. The gentleman, of course, knows that the committee itself has approved a cut of \$3,500,000. That is roughly the equivalent of 900 man-years, and the Bureau translates that into 1,100 positions; so this new cut means that some 2,000-plus men will be dropped from enforcement.

Mr. KEAN. I think that is false economy. I hope this amendment is defeated.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. KEAN. I yield.

Mr. FORAND. Does not the gentleman recall that when witnesses from the

Bureau of Internal Revenue were before our committee, especially when they were discussing this possibility of additional moonshiners, that it was pointed out to us they today had some 500 fewer enforcement officers than they had 10 years ago?

Mr. KEAN. I recall that.

Mr. FORAND. And also I am sure the gentleman recalls that when we put those additional enforcement officers in the Bureau of Internal Revenue the record shows that we collected \$20 for every \$1 invested.

Mr. KEAN. Exactly; that is what the record shows.

Mr. FORAND. Under those circumstances does not the gentleman agree with me that it would be very foolish for us to cut this figure instead of giving the Bureau of Internal Revenue the increase they need?

Mr. KEAN. That is why I am here today.

Mr. FORAND. I congratulate the gentleman.

Mr. DOUGHTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is the responsibility of the Committee on Ways and Means, under the Rules of the House, to maintain scrutiny over administration of the internal revenue laws. During the past fiscal year, the Bureau of Internal Revenue had available approximately 20,000 revenue agents, deputy collectors, and auditors engaged in the examination of tax returns. Even so, they were able to examine only about 4,500,000 returns out of the 90,000,000 returns covering all kinds of taxes filed with the Bureau.

In recent weeks there has been considerable criticism in the press relating to charges made in Congress and elsewhere that the Bureau of Internal Revenue is not devoting sufficient time and effort to checking income tax returns. Surely, any cut in the appropriation for the Bureau of Internal Revenue would make certain that the Bureau of Internal Revenue would be able to examine fewer returns and devote less time to collecting the taxes that are rightfully due to the Government.

Commissioner of Internal Revenue Schoeneman has estimated that an additional \$1,000,000,000 to \$1,500,000,000 could be collected if the Bureau of Internal Revenue had sufficient enforcement personnel.

We now have appointed a subcommittee of the Committee on Ways and Means to maintain constant review of the administration of the tax laws. Doubtless, efficiencies and economies can be made. However, strong as I am for economy in government, and I believe everyone knows my reputation in this respect, I believe it would be indeed penny-wise and pound-foolish for us to attempt to reduce the appropriation for the Bureau of Internal Revenue.

At the present time each agent collects on the average additional tax of \$87,000 per year which otherwise would be lost to the Government, and the salary of each agent is only about \$4,500. We can estimate, therefore, that for every one of the agents which it would be nec-

essary for the Bureau of Internal Revenue to remove from its rolls as a result of this proposed reduction, the Government would lose approximately \$80,000.

I sincerely trust that this amendment, and any other amendment to reduce the appropriation for the Bureau of Internal Revenue below the \$252,000,000 contained in the bill will be defeated.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Georgia.

Mr. COX. Mr. Chairman, I ask the gentleman to yield so that I might inquire of the gentleman from Massachusetts, author of the pending amendment, in view of the position taken by the gentleman from North Carolina and from what he has said, if he will not give consideration to asking unanimous consent to withdraw his amendment? I hope he will. I can do nothing more than suggest what I think is a wise thing to do.

Mr. KING. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, first I want to compliment the distinguished gentleman from New Jersey [Mr. KEAN] for taking the floor as he did and attempting under very short notice to make clear the problems confronting this department that we members of the Committee on Ways and Means have forcibly brought to our attention almost daily. The gentleman from New Jersey [Mr. KEAN] is a member of a subcommittee that has been created by the Committee on Ways and Means to go thoroughly into the revenue procedures of the Government. To date about all the evidence in the aggregate that has been brought to our attention indicates, as the distinguished chairman of the Committee on Ways and Means [Mr. DOUGHTON] has stated, that rather than reduce this Bureau's appropriations there is every reason to believe at this time that probably it should be increased.

I do not need to state that it is not my habit to find fault with the great Committee on Appropriations. I, like the chairman, want to compliment the committee on the work it has done and intends to do, but I must say that it would be bad news indeed, in the face of the record that we have made in the Committee on Ways and Means, to find the House in a mood to reduce the allowances for the Bureau of Internal Revenue.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. KING. I yield to the gentleman from Rhode Island.

Mr. FORAND. I want to call particularly to the attention of the membership of the House that the gentleman from California is chairman of that subcommittee that is following the activities of the Bureau of Internal Revenue and is in a position to know exactly what the troubles are that are developing. His committee is following this very, very religiously because, as a member of the Committee on Ways and Means, he realizes the difficulty the entire committee is having. Most of you know that for the last 2 months or so the Committee on

Ways and Means has been in session mornings and afternoons listening to testimony from people in all categories of life who come to us and tell us they admit that we need additional revenue, but, of course, we always get that additional phrase, "but do not tax us." However, we have a very onerous responsibility, and we have come to the conclusion, informally in the committee, that additional agents are needed in the Bureau. Additional positions are needed for the returns to be audited. The record shows, as the gentleman from California will agree with me, I am sure, that only a very small percentage of the returns are audited each year.

Mr. KING. That is correct.

Mr. FORAND. But progress has been made during the last year or so by the introduction of electric machines, and so forth, so that approximately 1 out of 10 returns in the lower brackets is being audited. I believe that is correct.

Mr. KING. That is correct.

Mr. FORAND. As you go up the scale in the various other categories, a few more, a little higher percentage, are being audited, and I believe we were told that all returns in excess of \$25,000 are being audited each year now.

Mr. KING. That is correct.

Mr. FORAND. Does the gentleman recall exactly what the statement was concerning the possibility that within a very short time every person's return will be audited at least once every 2 or 3 years?

Mr. KING. I think that is correct. I am not certain as to the term, whether it was 2 or 3 years.

Mr. FORAND. At any rate, great progress is made in that direction, is it not?

Mr. KING. Yes.

Mr. FORAND. Under those circumstances, I believe instead of hampering the Bureau by curtailing the appropriation we should be a little more generous and say, "Go ahead, fellows; clean up this mess and get in this money that should be paid into the Treasury."

Mr. KING. I agree with the gentleman.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. KING. I yield to the gentleman from New Jersey.

Mr. CANFIELD. In 1946 the Bureau had 59,693 employees and the collections then were \$40,558,000,000. Currently, 1951, the Bureau has 58,415 employees and the collections are \$47,883,000,000.

Mr. KING. What does that seem to indicate, may I ask the gentleman?

Mr. CANFIELD. A better job being performed all along the line.

Mr. KING. Correct.

The CHAIRMAN. The time of the gentleman from California has expired.

The question is on the amendment offered by the gentleman from Massachusetts [Mr. WIGGLESWORTH].

The amendment was rejected.

The Clerk read as follows:

BUREAU OF NARCOTICS
SALARIES AND EXPENSES

For expenses necessary to enforce sections 2550-2565; 2567-2571; 2590-2603; 3220-3228; 3230-3238 of the Internal Revenue Code; the

Narcotic Drugs Import and Export Act, as amended (21 U. S. C. 171-184); the act of June 14, 1930 (5 U. S. C. 282-282c and 21 U. S. C. 197-198) and the Opium Poppy Control Act of 1942 (21 U. S. C. 188-188n), including services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a); purchase of chemical analyses and testimony thereon; expenses of seizure, custody, and disposal of property; hire of passenger motor vehicles; arms and ammunition; not to exceed \$10,000 for the collection and dissemination of information and appeal for law observance and law enforcement, including cost of printing; securing of information and evidence; and not to exceed \$10,000 for services or information looking toward the apprehension of narcotic law violators who are fugitives from justice; \$2,025,000.

Mr. FALLON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FALLON: Page 7, line 2, strike out "\$2,025,000" and insert "\$2,100,000."

Mr. FALLON. Mr. Chairman, ordinarily I would feel embarrassed in offering an amendment to increase an appropriation bill after what has transpired in the House in the past several days. But I am not embarrassed in asking for this additional \$75,000 in the enforcement and investigation of the drug traffic. Just yesterday, in the Baltimore Sun paper an article appeared by Mr. Anslinger in which he said that the narcotic traffic and the illegal use of it had reached an epidemic stage. He went on to say that 2 years ago in the hospital in Lexington, Ky., there were three boys under 21 years of age being treated for the use of narcotics. Today there are over 200 patients under 21 years of age.

I can see the necessity and the wisdom of cutting many of the items in the budget, but I feel that there can be no maximum set in enforcing our drug laws. I know of three incidents that have happened in connection with the criminal courts in Baltimore since January 1. One was an armed hold-up of a loan company. When the boys were apprehended, it was found that two of them had records for the use of narcotics. Just 2 weeks ago there was a murder and a suicide. The murderer had a history of the use of narcotics. When a boy was apprehended for raping a 13-year-old girl 2 weeks ago they found marihuana cigarettes in his pocket.

I could go on and on and cite to you a number of cases in other cities, crimes of passion and others, but I do not want to take the time of the committee.

At Fort Bragg just last week 20 boys in one company were hospitalized for the use of narcotics. The Narcotics Division has been asked to send men to investigate these Army camps, but they do not have the men to spare. When a dope raid is made on one of these dens it is just a flash in the pan. They go in and get these people, get the stuff, and bring it out. It takes only an hour or an hour and a half, but that is the result of perhaps months and months of investigative work. It takes a number of agents to do that.

I think this \$75,000 is really a capital investment in the people of this coun-

try. I think it is unwise not to give this additional money, not only because you save the money in the Public Health Service work but because you have a stake in broken hearts and broken homes, which in many cases are irreparable.

I may say to the chairman of the committee that in his State of Virginia there is one narcotics agent. To the gentleman from West Virginia [Mr. STAGGERS] that in his State of West Virginia there is one agent. In the city of Baltimore, the second largest port of entry in the United States, in fact, in the whole State of Maryland, with over 2,000,000 people, there are only two narcotics investigators. Yet in the same State there are probably hundreds of people looking for illicit whisky. In this case we are trying to save humanity, we are trying to make an investment in the youth of this country. Think of the increase from 3 cases in Lexington, Ky., 2 years ago, to 200 cases today is the best evidence that this amendment should be adopted.

Mr. Chairman, I do not know of any time I ever took the floor of this House that I ever made a greater contribution to the humanity of this country than at this time.

(Mr. FALLON asked and was given permission to revise and extend his remarks.)

Mr. GARY. Mr. Chairman, may I say that this amendment appeals to me very strongly, for the simple fact, as I stated in my opening remarks, that this narcotics situation is reaching alarming proportions.

It does give me some sense of gratification, however, that this amendment is offered, because apparently up until this point the Members of the House have felt that our committee was not trying to reduce the budget.

We gave this Bureau all the money we felt we could consistently give them in view of our present fiscal situation. We allowed the Bureau of Narcotics last year \$1,850,000. That was reduced to \$1,845,000 under the general order directing the Bureau of the Budget to cut \$650,000,000 from the entire budget. Two million one hundred thousand dollars was requested for 1952, an increase of \$180,000 over the 1951 appropriation as reduced. We reduced their request \$75,000. We felt that that was very fair treatment.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. HALLECK. Is it not true, also, that the local enforcement officers in the municipalities, the counties, and the States have the primary responsibility for controlling the matter of sale of narcotics, and so forth?

Mr. GARY. That is correct.

Mr. HALLECK. And whatever might be done at the Federal level could not cope with the problem unless the enforcement officers on the local level assume their responsibility.

Mr. GARY. The Commissioner of Narcotics is a very able public servant. His Bureau works very closely with the

local officers in enforcing the narcotic laws. Just a few days ago there was a large raid of dope peddlers made here in the city of Washington. That raid was conducted jointly by the local police officers and representatives of the Bureau of Narcotics. They work together very closely in handling these raids. We do have the local officers in addition to the Bureau.

I am very sympathetic with this amendment and yet, as I say, we have a very acute fiscal situation. We felt this cut was fair.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. CANFIELD. Is it not true that Dr. Anslinger's appeal in this hour is for stronger and stricter Federal and State and local laws, so that the penalties given to these people who sell narcotics will be real penalties.

Mr. GARY. That is true. He has done a magnificent job. He has not only tried to fight the problem in this country, but several years ago our committee allowed him additional funds so that he could send agents abroad to work with the enforcement agents there. They have broken up a great many of the large dope rings in foreign countries that were sending narcotics into the United States.

Mr. CANFIELD. There are too many sizable communities in the United States that do not have effective local narcotic laws and should have them to cooperate with the 220 men in this Bureau, which is a very small number of men at the Federal level.

Mr. GARY. I think that is true. It is a very serious problem. The use of marijuana, the increase of addictions among the teen-agers, and the increased use of heroin are creating an alarming situation in this country.

Mr. FALLON. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. FALLON. Is it not true in most of these raids, and particularly the one in Washington last week, that that is the result of months and months of investigation by our Federal agents?

Mr. GARY. Such raids are usually the result of months of investigation by both Federal and State agencies working very closely together in the enforcement of the act.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

(Mr. HOFFMAN of Michigan asked and was given permission to revise and extend his remarks.)

Mr. HOFFMAN of Michigan. Mr. Chairman, probably everyone who has knowledge of conditions in some of the larger cities will agree that the trade in drugs is increasing and an increasingly large number of our young people are being injuriously affected by it. I am wondering now, though, whether having started on a little economy drive we are about to go in the other direction—and increase the amounts made in the bill,

Permit me to quote part of a letter which came to me, not directly from the Chicago Crime Commission, but from one who is aware of conditions in Chicago, which calls attention to the fact that the difficulty in Chicago, at least, may be due not to a lack of funds but to a lack of disposition on the part of those who are charged with the administration of the program there to perform their duty, and possibly a tenderness on the part of enforcing officers toward some of those who are carrying on that trade.

Permit me to read:

You asked me what the Government could do to help in this city that it wasn't doing now. Specifically, let me say to you that the Narcotic Bureau maintained by the Government in Chicago is probably about only 20 percent efficient if that much. In other words, I don't think they do one-fifth of the work they should do and I don't think the man in charge, whose name is Artis, cares much. He appears to be interested only in keeping his job. Since he has been in Chicago the number of dope addicts has increased tenfold. In other words, when he came here there were probably about 1,000 addicts in Chicago. Today there are not less than 10,000, and if Mr. Artis stays there will probably be 20,000 in another year as he is doing nothing to stop the sale of dope, in my opinion. Every once in a while he makes a splurge and there are a few arrests, but he is a long way from being successful in enforcing the Harrison Narcotic Act in Chicago.

The people are crying for help. I do know that the local officials are putting up a splendid campaign against the dope peddlers, but so far have not been very successful as more and more of our high-school students are becoming addicts every day.

Up to a few months ago the Government provided hospital facilities for addicts volunteering to take the cure, but the Government hospital at Lexington, Ky., has been closed to Chicago patients for some time and Chicago has no hospital facilities to take care of voluntary patients who are suffering from the use of narcotics.

What we need in addition to better enforcement is a Government subsidy for hospitalization of our young folks who are victims of the Government's failure to keep heroin out of this city. The police say tremendous quantities of this outlawed drug has come into this city in the past 2 years, and undoubtedly it comes from Red China and other territories behind the iron curtain, and no doubt Mr. Bridge's longshoremen help smuggle it into this country.

Mr. PATTERSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have sat here and listened to the advice given by various Members on this particular subject. I want to say at the beginning I am in favor of the amendment, for this reason: I think, with all due respect to the Members of the House, that I know a little bit more about narcotics and the narcotic cases than the average Member of Congress for the simple reason that for several years I was law-enforcement agent employed by the United States Treasury. I lived with some of the culprits with whom Mr. Anslinger has to deal; I know what these culprits will do and the extent to which they will go to get narcotics. I also know what the peddlers or the pushers, as they are known in the underworld, will do to get customers. They will invade our

universities and our high schools, and they will also trespass upon our doctors.

Another thing that I think should be taken into consideration while we are looking over this particular section of the bill is the salaries paid in the Narcotics Bureau. The average narcotic agent is the lowest-paid law-enforcement officer of the entire Government. His salary is not by any means comparable with those of the FBI, yet he does exactly the same kind of work that an FBI agent does. For instance, I can remember when I worked in New York as a narcotic agent and especially in Harlem, the East Side and in Chinatown for about \$2,000 a year while other law-enforcement agents of the Government started at approximately \$3,200 a year. Make a comparison of the salaries the narcotics agents get today with those paid the FBI or agents of some of the other investigative agencies of the Government and you will understand why this amendment should prevail.

In closing, Mr. Chairman, let me say that I support this amendment, and I hope that the Members of the House will see fit to do so.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland.

The amendment was rejected.

The Clerk read as follows:

BUREAU OF THE MINT

SALARIES AND EXPENSES

For necessary expenses at the mints at Philadelphia, Pa., San Francisco, Calif., and Denver, Colo.; the assay offices at New York, N. Y., and Seattle, Wash.; the bullion depositories at Fort Knox, Ky., and West Point, N. Y., and the Office of the Director of the Mint, and for carrying out the provisions of the Gold Reserve Act of 1934 and the Silver Purchase Act of 1934, including arms and ammunition, purchase and maintenance of uniforms and accessories for guards, purchase of one passenger motor vehicle (for replacement only), cases and enameling for medals manufactured, loss on sale of sweeps arising from the treatment of bullion and the manufacture of coins, not to exceed \$1,000 for the expenses of the annual assay commission, and not to exceed \$1,000 for acquisition, at the dollar face amount or otherwise, of specimen and rare coins, including United States and foreign gold coins and pieces of gold used as, or in lieu of, money, and ores for addition to the Government's collection; \$4,500,000.

Mr. COLMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLMER: Page 10, line 3, strike out "\$4,500,000" and insert "\$4,300,000."

Mr. COLMER. Mr. Chairman, this amendment, in brief, would strike \$200,000 from this item. In substantiation of the reason for this amendment I call the committee's attention to the fact that in fiscal year 1951 the Mint turned out approximately a billion coins at a cost of \$3,800,000. The budget estimate for the fiscal year 1952 is an increase to \$5,190,000. The committee in its wisdom saw fit to cut that \$690,000.

I think it is only fair, in behalf of the committee, to point out that was done,

but the fact remains, and it is a striking fact, that at the appropriation level for 1951 of \$3,800,000 with which they were to produce 650,000,000 coins they actually more than doubled their production as the hearings show at pages 309 and 310. However, the Bureau says it cannot be expected to sustain this high yield and indicate that a supplemental appropriation of \$330,000 will be necessary to put them through 1951. Now the fact remains that despite a slackening in production in the second half of 1951 they produced with that \$3,800,000 approximately 1,100,000,000 coins.

Let me say in this connection I realize it is very difficult for the committee or for any Member of the Congress to pose as an expert on a proposition of this sort; yet my figures are taken from a record that was made by the Bureau before the committee itself. But if they can produce over a billion coins in fiscal 1951 with \$3,800,000, they can certainly produce another billion coins in this year with \$4,300,000 which my amendment would give them. In other words, there would be a substantial increase over last year.

Mr. Chairman, while I am on the subject, I want to direct myself now to the over-all picture for just a moment. In the well of this House today and yesterday a great deal has been said about politics, about coalitions and about what is being done there. Let me say in this connection that so far as I am concerned, as a Representative, one Member of the 435 of this body, I am going to work with whomever I can in order to try to balance this budget and to keep this country on an even keel.

It does not take a smart man—if it did I would not be presumptuous enough to make the utterance—to know, much less a Member of Congress, that we cannot go on and on and on indefinitely spending, spending, and spending.

I hold in my hand a copy of the United States News, a very valuable and reliable magazine published here in the city of Washington for March 11. I call attention to a graphic picture of the value of a dollar, which in 1900 was worth 100 cents. In 1915 that dollar had shrunk to 77 cents, in 1930 it had shrunk to 46 cents, in 1951, this little picture down here represents the value of the dollar, it had shrunk to 31 cents. There is an illustration that anybody can understand.

What does that mean for the future of this country? What does that mean for the old-age pensioner? What does that mean to Members of Congress who are looking forward to a modest pension some day? What does that mean to the wage earner and to the future sound fiscal policy of this Nation?

We are worried about Russia, and we have reason to worry about Russia. Some of us have been contending for more than 5 years that Russia's real policy and strategy is to destroy this country by destroying its economy and its sound fiscal policy. We cannot go on indefinitely that way, as I stated.

In connection with this little item here, I am not asking you to go back to fiscal 1951, to \$3,800,000. I am asking

you by my amendment to go to \$4,300,000, which is a substantial increase over what it was last year. We all realize that with this kind of cheap money that has been discussed there is more and more money in circulation and I recognize, as the committee recognizes, the necessity for additional coins.

We put into circulation over 1,000,000,000 coins in fiscal 1951. Under this I contend that we can put into circulation, and the record will bear me out in it, as well as the hearings, another billion or more coins at a saving over what the bill provides of \$200,000, which would be still an increase of several hundred thousand dollars over what it was last year.

I have no fault to find with this Committee on Appropriations. There have been a lot of compliments paid the committee here today, and they have done a good job. They have cut this some. But here is what we are up against, and here is what the committee is up against. The Committee on Appropriations sits down there and works day in and day out holding these hearings, and they do a good job, and they have done a good job on this bill. But they only have the opportunity of hearing one side of the question. They hear only the representatives of the Bureau seeking the money. They do not have the experts that the Department has who come before the committee and present their side of the case. I think the committee should be congratulated upon doing as well as they do under the circumstances.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. COLMER. I yield to the gentleman from New Jersey.

Mr. CANFIELD. The gentleman is absolutely right in the statement he has just made about the lack of experts, and it is a most unfortunate thing, not only for the Congress of the United States but for the taxpayers of our country as a whole.

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. COLMER. I yield to the gentleman from Missouri.

Mr. CANNON. The Committee on Appropriations has the best experts that can be secured; the best trained and the most efficient that could possibly be supplied, and no member of the committee is denied any information which he requires in answering or cross-examining the representatives of the departments.

Mr. COLMER. I certainly had no idea of reflecting upon the experts of the staff of the committee. They are excellent. The trouble, Mr. Chairman, I think is, and what I tried to convey, that you do not have enough of them to compete and to fight with, if I may go that strong, the experts that the departments have, and I think that that goes for every committee in this Congress. I think that if the committees of the Congress did have more staffs, not better ones but more, that we would be in a much better position to cope with the demands of the departments uptown.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON. The number of experts at the command of the Committee on Appropriations is unlimited. If we have one investigation, we have the experts necessary to handle it, men particularly qualified by that feature of the work. If we have 10 investigations, we have 10 such groups. They are available in unlimited number. That is the advantage of our system. It is elastic. It can be expanded or contracted. Where you have a year-round set of experts, when you have additional work you cannot expand them; there are not enough to go around; where you have no work you cannot dismiss them as we can. No criticism has ever been made within our committee of anyone failing to secure any information which was desired upon any question of appropriations or any question considered by our committee.

Mr. COLMER. The fact remains we can save \$200,000 by this amendment and still save over a half a million over the committee bill.

Mr. REED of New York. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is not my purpose to get into this controversy, except to say this: I have been here a good many years and I know something about how these departments and these bureaus work. As a matter of fact, there are some very able and honest Americans in these bureaus who would like to do the right thing for their Government and for the people at large, but I am told by some of the most reliable people in these bureaus that for six months before an appropriation bill is coming out, before they are to be heard, they start in doing nothing except building up a case against the Committee on Appropriations. Now, that is not the fault of the Committee on Appropriations, but it is the system of bureaucracy at work within to constantly expand and get all the money it can get. I always felt that if you spent a billion dollars, if that would cover it, to get the right kind of people in these bureaus investigating from one end of the year to the other, you would save many billions of dollars for this Government.

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Missouri.

Mr. CANNON. It is not necessary to spend extraordinary amounts for this purpose. Our system is not only the most efficient and the most effective, our experts are not only the best trained that can be secured, but we secure them at a minimum of expense, which in itself is not a matter to be neglected.

Most of our experts are trained by the FBI. I think it will be generally conceded that there are no better trained men in the world. They are available

to us at any time, and we use them the year around. Every summer when vacation comes, if there is a vacation, in anticipation of the time when we will be absent we order investigations into every department which any member of the committee or anyone outside the committee thinks ought to be investigated, and during the summer while we are away these experts are at work. When we come back the reports are ready for us. It is done efficiently and at a minimum of expense.

Mr. REED of New York. In answer to that, the best evidence of the fact that the job is not properly done is the amount of fat that is in these budgets, and which a lot of people even on the gentleman's own side of the House are now trying to remove from the budget. So that even though you may have the experts, they are not getting at the bottom of this problem at all.

The point is that there is a lot of fat that is not being taken out of these bills. The people of this country are taxed now and are going to be taxed more, and they are protesting. They want cuts in these appropriations. You are certainly not getting them under the present system, except as you people on this side are coming out of your own committee and suggesting amendments here to reduce the appropriations.

Mr. CANNON. If there are any facts which the gentleman would like to have, if he will indicate them, we will supply them for him.

Mr. REED of New York. I am not on the Appropriations Committee, I am on the Ways and Means Committee. We are trying to raise money, but we cannot keep up with you in spending money.

Mr. CANNON. The gentleman is getting away from the question. The question is whether the members of the Committee on Appropriations have all the facts needed to enable them to write a good bill.

Mr. REED of New York. I am not getting away from the question at all, I am getting right at the meat of this situation. That is why the gentleman is excited about it.

Mr. CANNON. The gentleman says we do not have the facts, that we would not have the items in the bill if we did have the facts. The items are in the bill not because of lack of information, but because both the Democrats and the Republicans on the subcommittee, with all the facts before them, unanimously agreed to put them in the bill.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. HOFFMAN of Michigan. I can tell the gentleman from Missouri where the evidence is and he can find it himself. Go around to any department and see all those employees sitting around idle. Go in a cafeteria in the Pentagon Building. The dean of the House pointed that out the other day. When he points it out, surely anyone can find it. The gentleman can find all the facts he wants all over, in every department.

Mr. CANNON. And we did find all the facts requested, and on those facts the members of the subcommittee, of the gentleman's party, voted unanimously

with the members of my party on every item in this bill.

Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the report on all bills reported by the subcommittees of the Committee on Appropriations have been practically unanimous. This means that the members of the committee on that side of the aisle as well as the members of the committee on this side of the aisle have after full hearings agreed on the bill as finally drafted and reported. I know of only one instance within a year in which we have had a minority report accompanying the majority report.

Incidentally, it is to be noted that during the entire consideration of this bill the minority members of the subcommittee have consistently voted with the majority members of the subcommittee on all amendments.

And every item reported in the bill has been unanimously reported by the subcommittee with a full understanding of all the essential facts.

Every subcommittee in formulating its bill has had the advantage of full reports on all salient features of the bill from the committee's investigatory staff headed by men from the Federal Bureau of Investigation.

There is no bureau of agency of investigation anywhere which can supply men as carefully trained, and as expert in all fields of investigation as those we get from the Federal Bureau. In the last 2 years no member of the Committee on Appropriations or anyone else has asked for any facts which were not secured and no complaint has been made at any time that the information thus secured was inadequate or inaccurate. We have the most effective system of investigation that could be devised, and at the lowest cost for which it could be provided. If you need an accountant, we can get the best there is. If you need a scientist we have the best available. If you need a detective we can get you the ablest that can be secured in the United States.

There is a sort of vogue going around that we do not spend enough money on our staff; that we ought to have permanent investigators and ought to pay them higher salaries. There are always people who do not want to use a spade unless it is gold plated.

What happens when you put men permanently on the staff? They get careless. They get lazy. They develop friendships with the departments. If you get misfits it is hard to fire them. They develop a camaraderie with the members of the committee and get their salaries raised. Everybody downtown knows them. When they enter the door the word is passed through the building: "Here comes that fellow from the committee." When there is no investigation they sit around cooling their heels and their time and their salary is wasted. When we do not have any further investigating to do we send all of our men back to the Bureau and we do not waste a cent on them. Then when you have 10 or 20 investigations, if you have a permanent staff the staff is not big enough to handle all investigations at

one time. We can get any number from FBI and we get them at the salaries FBI pays them. We do not pay them any longer than we have to use them, and when the investigation is finished they go back and are through. Professional investigators have an interest in prolonging and extending an investigation so as to hold their jobs and retain their salaries. The men that are sent up here from the department come here and make the investigation and when their job is completed go back and there is no further expense. We have new men on every investigation. No one in the departments know they represent the Committee until we so advise them. We have a fresh group on every inquiry. And new brooms sweep clean. So clean, in fact, that we seldom have to assign a second group to the same investigation.

Mr. Chairman, we have obtained every pertinent fact we have asked for in the last two years. No one can say that we have requested information which was not secured, and that the information supplied was not accurate and comprehensive.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from New York.

Mr. COUDERT. The distinguished chairman has made the point that many committee reports have come out unanimously. Is it not a fact that the minority members of these subcommittees are wholly dependent upon the representatives of the Government agencies and the experts retained and controlled by the majority members of the committee?

Mr. CANNON. Certainly not. The minority have as much control over the investigations as the majority. In fact, most of the investigations are requisitioned by the minority and over the signature of the ranking minority members of the committee and the subcommittee.

Mr. COUDERT. And is it not a further fact that in taking members of one agency to investigate another agency the chairman is running the risk that those gentlemen will be disposed to scratch each other's backs?

Mr. CANNON. That could not possibly be true. And no one has ever charged that any report received was subject to such an objection. We have had hundreds of reports and one is yet to be received which any member of the subcommittee or the committee suggested was influenced by any such consideration.

The FBI does not lend itself to that sort of thing.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. CANNON. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON. Mr. Chairman, these investigations are held at the request of members of both sides. They are always authorized by the signature of the chairman of the subcommittee and the ranking minority member of the subcom-

mittee, as well as the chairman and ranking minority member of the whole committee. The men who come up here are nonpartisan and wholly disinterested. They are given written instructions as to the information to be secured. They make a factual report on the question submitted to them without interference from anybody. No influence can be brought to bear by any member of the committee, majority or minority. The men go down, get the facts, and bring them back. None of the departments which have been characterized here this afternoon as organizing against the committee has as large or as well-trained a force as we use for these investigations.

Mr. COUDERT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I just want to make a point so that there can be no question about it. The way the chairman and the minority members of this committee, since they took over in the Eighty-first Congress, have managed investigations of the departments is very simple. They have sent bureaucrats to investigate bureaucrats. For my part I do not think the country is going to be fooled by any comic opera performance of that sort.

Mr. CANNON. Name a single bureaucrat that has been appointed to investigate a bureaucrat. Let the gentleman name a single such instance. We have had hundreds of investigations and no such charge has ever been made on the receipt of the report on any of them.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. COUDERT. I yield.

Mr. H. CARL ANDERSEN. Furthermore, the gentleman from New York well knows that we on the minority do not have a specified group under our particular control to go into the various bureaus and tell them to find out what we need to find out.

Mr. COUDERT. What the gentleman means is that we in the minority are solely, completely, and exclusively dependent upon the investigators selected by the majority.

Mr. H. CARL ANDERSEN. The gentleman is absolutely correct.

Mr. COUDERT. Dependent on them for the information upon which we are required to act. That is an absurd and an impossible situation and, for my part, a betrayal of our committees.

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. COUDERT. I yield.

Mr. CANNON. As a matter of fact, most of these investigations are started on the request of the minority. The gentleman from Minnesota has never asked for any investigation which was not made nor for any facts which were not given to him.

Mr. COUDERT. Is it not still a fact that the Members of the minority who may ask for information are merely dependent upon the information that is furnished them by the bureaucrat selected by the majority chairman to investigate the other bureaucrat?

Mr. CANNON. The chairman has nothing to do with the selection of the men who make these investigations.

Mr. COUDERT. Who does?

Mr. CANNON. The chairman is never consulted. I do not see a single man who makes these investigations. We have an FBI man in charge, and when an investigation is to be made the requisition, signed by the ranking majority and minority members of the subcommittee and the committee, are transmitted by the clerk to the FBI man and the FBI man selects the operators whom he considers qualified. The chairman never comes in contact with him or any of the agents; and the minority have as much access to the information they supply as the majority.

Mr. COUDERT. It is most interesting to me that the chairman's concession is that not only do bureaucrats investigate bureaucrats but that a bureaucrat selects the bureaucrat who is going to make the investigation.

Mr. CANNON. Does the gentleman charge that an FBI man is a bureaucrat?

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. COUDERT. I yield.

Mr. H. CARL ANDERSEN. I would like the gentleman from Missouri to state publicly that he is willing to make us the concession that the minority on each of the subcommittees may have a clerk to use for any purpose we might wish along the line of investigating any department of the Government.

Mr. CANNON. Of course not. These investigators are absolutely nonpartisan. We have had recent experience with men selected as the gentleman suggests, by the party and for the party.

The gentleman on that side appointed a minority clerk and last week the Senate investigations disclosed that they had so little need for him that he has been devoting a large part of his time to helping elect a United States Senator, and in that capacity had disbursed some thousands of dollars in a highly questionable campaign—so questionable, in fact, that it is being investigated by a committee of the other body. If gentlemen on that side needed such a man as the gentleman describes, why did you not use Mr. Lee? He seems to have had time hanging heavily on his hands. And what credence could be given to the reports of such political hacks? How do they compare with the factual reports made by disinterested, nonpartisan men from the FBI?

Mr. COUDERT. Mr. Chairman, let me point out that the FBI is part of this administration, wholly dependent upon the administration for appointment, for maintenance in office, and for promotion; and it still remains a bureaucrat appointing a bureaucrat to investigate a bureaucrat.

Mr. CANNON. Fortunately, that is not the case at all.

Mr. COUDERT. Mr. Chairman, I do not yield. If that is the best the majority on this Appropriations Committee can do, it is high time to go back to a Republican Congress and have a Republican majority on that committee to re-establish the independent staff of experts who were so helpful in the work of the Eightieth Congress.

Mr. CANNON. Such experts as Mr. Lee?

Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Missouri is recognized.

Mr. H. CARL ANDERSEN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. H. CARL ANDERSEN. I make the point of order that the gentleman from Missouri spoke on this matter for 10 minutes just a few minutes ago.

The CHAIRMAN. The point of order is overruled.

The gentleman from Missouri, chairman of the committee, is recognized for 5 minutes.

Mr. CANNON. Mr. Chairman, gentlemen on that side in a very partisan spirit have charged that the FBI is a bureaucracy, and its investigations are perfunctory, in effect a whitewash of what they call other bureaucracies. Anyone knows that regardless of which party is in power, regardless of which party controls the Congress or the Presidency, the FBI remains undisturbed, intact, and unaffected from administration to administration. It is in every respect impartial and nonpartisan, the fairest and the most experienced and the best-trained system of investigation to be found anywhere in the world today. Nobody has ever charged that the Director or any of his staff or any of his investigators are bureaucrats.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. CANNON. Or that they are subject to any sort of partisan or political influence, and it is an unfair and an unjust reflection on an honored and tested agency which stands today between our country and exploitation, both at home and abroad.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. CANNON. No man could be said to be safe from danger of kidnaping and blackmail today or from many other menaces which might imperil private citizens but for the FBI. And no confidential activity of our war program could be protected against enemy espionage but for the timeless vigilance of FBI. Like the keepers of Israel they neither slumber nor sleep. Throughout their long and useful service they have a record of unbroken integrity and efficiency.

Mr. Chairman, I yield to the gentleman from New York.

Mr. COUDERT. Mr. Chairman, it seems to me that the FBI has enough to do with its highly important criminal and espionage operations. The FBI should not be saddled with this extra burden.

Mr. Chairman, I never intended and do not intend to reflect upon the FBI in any of its important functions, but I have yet to learn that the FBI is an auditing agency, an accounting agency, or an efficiency engineering agency. That is something quite new.

Mr. CANNON. In response to the gentleman, I say it has the best trained accountants and efficiency experts in the world.

Mr. COUDERT. For espionage and criminal detection.

Mr. CANNON. We have invariably found it to be equal to any task.

duty and skilled in any field in which we have required assistance.

It is an unworthy reflection to say it would be guilty of partisanship.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I move to strike out the requisite number of words.

(Mr. H. CARL ANDERSEN asked and was given permission to revise and extend his remarks.)

Mr. H. CARL ANDERSEN. Mr. Chairman, I disagree with the chairman of the Committee on Appropriations in one vital particular. We on the minority side cannot do a good job if the investigators that are sent down to the departments do not report direct to the minority leader of the Appropriations Committee rather than being under the control of the administration end of the committee, regardless of which party is in power.

I am convinced that if we on the minority side of the subcommittee on agriculture, for example, had an investigator at our beck and call and could send him to look into certain things concerning which we have considerable doubt, we could save onehundredfold the salary of that particular man.

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Missouri.

Mr. CANNON. The gentleman says the ranking minority member of the committee does not receive reports. On the contrary, he receives every report made. When our investigators make a report they submit four copies. One copy goes to the chairman of the subcommittee, one copy goes to the ranking minority member of the subcommittee, one copy goes to the chairman of the full committee, and one goes to the ranking minority member of the full committee. So the minority is as fully apprised and as promptly apprised of every report made as any majority member of the committee. The gentleman further says if he could send an investigator to look into things he could save money. Has the gentleman ever asked for an investigation of that kind that he did not get? He has not.

Mr. H. CARL ANDERSEN. That is not the point which I am here trying to bring out.

Mr. CANNON. The gentleman has never asked for any investigation he did not get. If he had asked for it he would have gotten it. And he has never complained that the report on any investigation was inadequate or unsatisfactory.

Mr. H. CARL ANDERSEN. I further want to call the attention of the committee to the fact that each subcommittee chairman under the system of operation at this time has almost complete control of the particular clerk operating for that committee, at least he commands most of his time, and he also has had an additional clerk given to him because of the duties pertaining to that office. We minority members on the subcommittee, as the gentleman from Missouri [Mr. CANNON] well knows, receive no consideration whatsoever in the way of additional help so that we might

go out and look into these things which come up daily throughout the hearings and which might mean millions of dollars in savings to the taxpayers.

Mr. CANNON. That is the system in use by every committee of the House and Senate and has been followed ever since the founding of the Government. In the Eightieth Congress the Republicans had the clerks and we had none. Everybody knows the clerks of the committee are directed by the party in charge of the bills, the party selected for that purpose at the last election.

Mr. H. CARL ANDERSEN. Mr. Chairman, I refuse to yield further. The gentleman from Missouri has taken up most of my time.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Mississippi.

Mr. COLMER. I ask the gentleman to yield now just to observe that I was trying to be of help to the Appropriations Committee, to the Members on both sides, and I am sorry I stirred up this hornet's nest, but I hope we will not forget the real issue before us—the saving of \$300,000.

Mr. H. CARL ANDERSEN. I agree with the gentleman. The amendment certainly should be adopted.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. GARY. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, when I had the privilege of serving as the ranking minority member of this subcommittee during the Eightieth Congress no clerk or investigator was assigned to me by my Republican friends.

But I do want to say to my friends on the other side, if they know of any fat in this particular bill I hope they will come to me as chairman of this subcommittee and let me know where it is, because our committee sat for weeks hearing these various departments and looking for fat. We cut out all the fat we could find.

With reference to the amendment under consideration, the distribution of coins reached a high peak during World War II. After the war the demand declined and the Mint began to build up a stockpile of coins, to meet future needs. As a result of that, in their original request for 1952, they requested only \$3,990,000. When, however, the Korean War broke out immediately there came a tremendous increased demand for coins. The Mint has issued for the first 6 months of 1951 more than twice the number of coins that it issued during the entire year 1950. Now the stockpile has declined. They have few coins on hand. As a result of that situation they came in and filed a supplemental request bringing their total request up to \$5,190,000. The committee felt that we should take some cognizance of that situation but we did not know that the demand was going to continue to increase. Therefore, we cut \$690,000 from their request.

This amendment proposes to cut \$200,000 additional. It simply means that it will reduce the number of coins that the Mint can make during 1952. If the ad-

ditional coins are needed, as the increasing demand indicates, then we are going to be short of coins. The banks are going to be demanding coins and the Mint is not going to be able to supply the need.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Mississippi.

Mr. COLMER. Is it not true, nevertheless, I ask my distinguished friend, that the mint did produce over a billion coins with the \$3,000,000 appropriation last year, and that they stepped it up with that appropriation to twice what it had been doing?

Mr. GARY. Because the demand has increased and they have been supplying the demand out of the stockpile, and they estimate that they need more coins than they produced last year.

Mr. COLMER. Is it not also true that a simple appeal from the administrative agency to the public to put these coins back into circulation would save the taxpayers considerable money?

Mr. GARY. If the gentleman will read the hearings he will find that the subcommittee suggested and recommended that very thing.

Mr. COLMER. Permit me to say, as I should have said first, that that is exactly what I did do. I read what the subcommittee recommended, and I think they will get results.

Mr. GARY. In anticipation of what we hoped might be obtained from that, we cut off \$690,000. If you reduce it further you are liable to face a shortage of coins.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Michigan.

Mr. CRAWFORD. In view of the fact that so many people deal with the question of supply of money as relates to inflation, I would like to have the Chairman get into the RECORD a statement as to whether or not cutting down the supply of the coins will increase the buying power of the coins or whether increasing the supply of the coins will lead to inflation. Will the gentleman clear the RECORD on that point?

Mr. GARY. The number of coins will have nothing to do with the value of the coins. Of course, the number of coins required depends upon public demand, and I think frankly that a great deal of the need for the coins today is due to the pennies used to pay sales taxes that are being imposed throughout the country. The greatest demand is for pennies and most of this money will be used to produce pennies.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. COLMER].

The question was taken; and on a division (demanded by Mr. GARY) there were—ayes 86, noes 39.

So the amendment was agreed to.

The Clerk read as follows:

GENERAL ADMINISTRATION

For expenses necessary for general administration of the postal service, operation of the inspection service, and the conduct of a research and development program, including services as authorized by section 15

of the act of August 2, 1946 (5 U. S. C. 55a); \$250,000 to be available exclusively for procurement by contract of things and services related to design, development, and construction of equipment used in postal operations, and for contracts for management studies; rewards for information and services concerning violations of postal laws and regulations, current and prior fiscal years, in accordance with regulations of the Postmaster General in effect at the time the services are rendered or information furnished; purchase of one passenger motor vehicle (for replacement only) at not to exceed \$4,500; and expenses of delegates designated by the Postmaster General to attend meetings and conventions for the purpose of making postal arrangements with foreign governments pursuant to law; \$20,000,000: *Provided*, That expenses of delegates provided for herein, and not to exceed \$20,000 for rewards as provided for herein, shall be paid in the discretion of the Postmaster General and accounted for solely on his certificate.

Mr. GARY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GARY: Page 14, line 8, strike out "\$20,000,000" and the remainder of line 8 and lines 9 through 12 inclusive, and insert "and the expenses of delegates provided for herein, and not to exceed \$20,000 for rewards as provided for herein, shall be paid in the discretion of the Postmaster General and accounted for solely on his certificate; \$20,000,000."

Mr. GARY. Mr. Chairman, this amendment merely clarifies the language. Some of the Members got the impression that the \$20,000,000 applied to the attending of meetings and conventions by the Postmaster General and his staff. I assure them that it does not. This amendment clarifies the language so that there can be no question about it.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

The Clerk read as follows:

POSTAL OPERATIONS

For expenses necessary for postal operations, not otherwise provided for, and for other activities conducted by the Post Office Department pursuant to law, including \$500,000 to be available exclusively for manufacture and procurement of improved devices for postal operations and other activities; \$11,579,000 to be available exclusively for the purchase of trucks, tractors, and trailers; and storage and repair of vehicles owned by, or under control of, units of the National Guard and departments and agencies of the Federal Government where repairs are made necessary because of utilization of such vehicles in the postal service; \$1,845,000,000: *Provided*, That during the current fiscal year the inventory of trucks, tractors, and trailers of the Post Office Department shall not exceed 17,500 such vehicles at any time.

Mr. WIGGLESWORTH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WIGGLESWORTH: Page 14, line 24, after "service" strike out "\$1,845,000,000" and insert "\$1,823,000,000."

Mr. WIGGLESWORTH. Mr. Chairman, of the \$88,000,000 increases carried in this bill as compared with funds available the present fiscal year approximately \$83,000,000 is to be found in the items affecting the Post Office Department.

The report of the committee on page 17 shows a request of \$1,866,000,000, which has been reduced \$21,000,000,

leaving a balance recommended by the committee of \$1,845,000,000.

The report points out that this sum is \$52,000,000 in excess of the amount appropriated in the current fiscal year, not including \$14,478,000 transferred to the General Services Administration.

When the two are taken into account, it means that there will be a total of \$66,478,000 more available for postal operations in fiscal 1952 than was available in fiscal 1951.

If I understand the meaning of the report and the language on the page that I have referred to, this \$66,478,000 represents 3.7 percent of the amount made available for post office operations in the current fiscal year. You will note the report indicates that the Department justifies the increase requested mainly on the increased volume of mail to be handled by the Post Office Department in the fiscal year 1952 and that the Department estimates that during 1952 the volume of mail will increase 3.7 percent. In fact, \$66,400,000 is 3.7 percent of the total available in the present fiscal year.

The amendment I have offered is a very simple proposal. I understand the subcommittee does not feel the complete 3.7 percent can be absorbed. My amendment, therefore, suggests that one-third of that, or 1.2 percent of the increase based on the volume of mail estimated for the fiscal year 1952, shall be absorbed by the Department. That will leave the Department with no less than \$44,400,000 in excess of what it had for the present fiscal year.

Mr. Chairman, it seems to me that with the mechanization and other improvements which are now under consideration and the possibility of increased postal rates which are now under consideration, it surely is not asking the Post Office Department too much to suggest that it absorb the anticipated increase in cost of operations to the extent of 1.2 percent. I hope the committee will adopt this amendment.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. H. CARL ANDERSEN. I think the committee and the gentleman are on very solid ground here and the same line of argument should obtain with reference to the amendment I intend to offer on page 15 relating to the transportation of mail. The gentleman knows full well that in all of the small villages throughout the country we do not add another postmaster or another clerk simply because the volume of mail for the next fiscal year goes up by one-thirtieth of what they handled this year. The bulk of offices will handle that particular mail with exactly the same expense that they incurred in 1951. I certainly agree with the gentleman that they can absorb part of that proposed increase.

Mr. WIGGLESWORTH. I thank the gentleman for his observation.

Mr. PASSMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, last year I felt just like the gentleman feels now, that certain reductions should be made in the appropriation for the Post Office Department. Our committee worked long and hard on

this bill last year. We recommended a reduction of \$28,107,000. The committee also recommended that the Postmaster General reduce residential mail deliveries from two to one a day. We instructed the Postmaster General to operate within the appropriation which was recommended by us and passed by the Congress. The request last year amounted to \$2,235,607,000. The committee and the Congress reduced this amount by \$28,107,000. Now the Post Office Department is asking this year for a supplemental appropriation in the amount of \$45,100,000. So the Department is coming back for an additional \$17,000,000. Just as sure as we are here this afternoon, if this reduction is made it will have to be reinstated next year just as has been done this year. I should like to repeat those figures:

We cut \$28,107,000, and they are back asking for a supplemental appropriation of \$45,100,000. I think there is a reason for it. No doubt Members of the Congress, and that applies to all of us, are somewhat responsible for the condition that exists. If you will turn to page 5 of the hearings, you will note that there is pending at this time requests for 125 new rural delivery routes. There are requests for 4,253 extensions on city deliveries. If you will look at page 187 you will discover that since July 1 of last year to date there have been approximately 1,000,000 extensions made in the postal service. They have pending at this time applications for several hundred thousand more extensions. They have extended delivery service to a million new homes since July 1 of last year.

Mr. Chairman, if we are going to force the Post Office Department to operate under laws passed by this Congress granting these extensions when certain qualifications have been met, then we are going to have to appropriate money to carry out this service. Just as sure as we are discussing this bill this afternoon if you reduce this appropriation the Department is going to come back next year and ask for supplemental appropriations to recover all the cut plus an additional \$15,000,000 or \$20,000,000. I wish you would consider the bill on this basis because of the experience we have had in the last 4 or 5 years.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. GROSS. You are providing what, \$600,000 for extending how many rural routes?

Mr. PASSMAN. It all depends on the amount of money as to how many additional routes can be added.

There is an increase for the present fiscal year of \$1,295,000,000.

Mr. GROSS. But I am interested in the extension of rural routes; what are you allowing for new rural routes?

Mr. PASSMAN. It is broken down in the bill as city delivery and postal operations; it is all under one heading this time.

Mr. GROSS. Is that considered enough to take care of route extensions that have been approved?

Mr. PASSMAN. The Post Office Department says "No"; the committee says "Yes." The committee told them they

would have to operate within the amount we recommended and the amount passed by the Congress. We cut them \$21,000,000.

Mr. GROSS. But the committee thinks that that leaves a proper amount for the extension of rural routes to cover the obligations incurred by the Post Office Department?

Mr. PASSMAN. I cannot speak for other members of the committee but when we marked up the bill it was unanimous, majority and minority. The Post Office Department says "No"; we say "Yes"; so I do not know whether they are going to be able to operate on that amount of money or whether they are coming back for a supplemental appropriation. They always have in the past and in all probability will this time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The question was taken; and on a division (demanded by Mr. GARY) there were—ayes 60, noes 46.

Mr. GARY. Mr. Chairman, I demand tellers.

Tellers were ordered; and the Chairman appointed as tellers Mr. GARY and Mr. WIGGLESWORTH.

The Committee again divided; and the tellers reported that there were—ayes 79, noes 57.

So the amendment was agreed to.

The Clerk read as follows:

TRANSPORTATION OF MAILS

For payments, current and prior fiscal years, for transportation of domestic and foreign mails by air, land, and water transportation facilities, settlements with foreign countries for handling of mail; and for expenses, exclusive of personal services, necessary for operation of Government-owned highway post office transportation service; \$465,000,000.

Mr. H. CARL ANDERSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. H. CARL ANDERSEN: Page 13, line 11, strike out "\$485,000,000" and insert "\$454,200,000."

Mr. H. CARL ANDERSEN. Mr. Chairman, the urgent need for every possible economy has been so repeatedly and so forcibly brought out upon the floor of this House and to such a degree that it will not be necessary for me to do other than bring out the facts relative to this very important item of transportation of mail which embodies almost one-half billion dollars.

On at least two occasions during the hearings the Post Office Department representatives based their request for an increase of nearly \$29,500,000 solely on the anticipated increase in the volume of mail in 1952 over fiscal year 1951. They estimated this increase to be 3.77 percent over 1951. On page 17 of the report the subcommittee stated:

The Department estimated that during 1952 the mail volume will increase 3.77 percent over 1951.

Mr. Chairman, suppose that we do subscribe and agree to the need of the Department for an additional 3.77 percent in this item for which they have asked \$467,000,000, suppose we do agree with the premise they have placed before

the subcommittee that the mail will increase by 3.77 percent. All right, let us give them that amount of money. Let us give them the \$16,200,000 that involves, but let us not give them an additional \$11,000,000 for which there seems to be no justification.

Why should we give them an increase of 6.6 percent when they tell the subcommittee on appropriations that they are basing their request entirely upon their estimated increase of 3.77 percent in the mail volume? Certainly we have a right to look into this very huge item.

I anticipate that the opposition will bring out the matter of pending rate cases, but the fact remains that the situation relative to this particular item, as far as I know, will be the very same in 1952 as far as calculations are concerned as obtained in 1951. This 3.77 figure is purely a guess on the part of the Department. The volume of mail may increase to the extent of 3.77 percent. Let us give them that increase, I repeat, of \$16,200,000 above 1951, but let us show our faith with the taxpayers of America and withhold this additional \$11,000,000. Let us give the Post Office Department, Mr. Chairman, a little incentive toward economy. Surely in that vast expenditure of \$465,000,000 there must be some place where that great Department can save a little bit here and a little bit there and effectuate the over-all saving of 2½ percent. I am asking that you adopt.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Louisiana. He has always been fair in yielding to others.

Mr. PASSMAN. Does the gentleman realize that these rates are fixed by law by the ICC and CAB?

Mr. H. CARL ANDERSEN. Surely.

Mr. PASSMAN. And this money can only be spent for transportation?

Mr. H. CARL ANDERSEN. I realize that. That is provided for in the amount we are here considering.

Mr. PASSMAN. The committee made a reduction of \$2,539,000 in this appropriation below what the Post Office Department said they would have to pay for transportation during fiscal 1952.

Mr. H. CARL ANDERSEN. The gentleman from Louisiana will admit that they based that testimony on the 3.77 percent increase, will he not?

Mr. PASSMAN. Heretofore they estimated their cost and they had to come back for a supplemental appropriation.

Mr. H. CARL ANDERSEN. Yes, they made a bad guess. They underestimated it. So here they are trying to make it up, not only through this 3.77 percent, but they want an additional 2.8 percent increase to take care of an error on their part.

Mr. PASSMAN. They pay out these sums according to rates fixed by the ICC and the CAB, and they will not pay out the money unless they are forced to do so to transport the mails.

Mr. GARY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, our committee reduced the operating expenses of the Post Office Department last year \$21,000,000. As a

result of that reduction it was necessary for the Post Office Department to curtail services. You will recall that they reduced the service to one delivery a day in residential sections, and a hue and cry went up from Members of this House. A bill was introduced to require the Post Office to restore that service. I stood up here and took my medicine. I had sponsored the cut and I opposed the bill to restore the services on the floor of the House, but the House passed it by a very large majority. I hope that the Members of this House who are gutting the Post Office service at the present time, when the cry goes up throughout the land, will have the courage to stand here and say, "I did it; I will take the responsibility." That is all I am asking.

So far as this figure of \$465,000,000 for the transportation of mails is concerned, it is a figure that neither the Post Office Department nor our committee can change one iota. The rates for transporting the mail by train are fixed by the Interstate Commerce Commission, and the rates for transporting the mail by air are fixed by the CAB. The Post Office has absolutely nothing to do with it.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. Has there been any change in rates established in 1951 that would affect 1952?

Mr. GARY. There will be a change in rates, and this figure of \$465,000,000 is not going to be near enough for 1952.

Mr. H. CARL ANDERSEN. There will be.

Mr. GARY. There has been an increase in rates.

Mr. H. CARL ANDERSEN. I believe the gentleman is mistaken.

Mr. GARY. Not for 1952, but there has been an increase agreed to and approved by the Interstate Commerce Commission for the years prior to December 31, 1950. In a few days you will have on the floor of this House a supplemental appropriation bill appropriating \$152,000,000 to pay the addition for those prior years. The ICC is still hearing that rate case for the years 1951 and 1952. There will unquestionably be an increase over the rate that has been paid and consequently this Congress is going to be called upon to appropriate additional sums for the transportation of mails for 1951 and 1952. There is absolutely no question about it.

Mr. SHAFER. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Michigan.

Mr. SHAFER. I wonder if we have any assurance, if we give the Post Office Department the money they are asking for this year, of any better service in the future, and if they are going to do anything toward restoring some of the cuts in service that they have made.

Mr. GARY. No, sir; they cannot, because there is no money provided in the bill for restoring that service.

Mr. SHAFER. I wonder if the gentleman can tell me if it will give them

ample money so that they can put more men on the post office in Boston, for instance, than actually work there, such as has been our experience during the last few weeks.

Mr. GARY. We feel there is enough money in the bill to enable the Post Office Department to do an adequate job.

Mr. SHAFER. Of course, that was a \$4,000,000 fraud up there.

Mr. GARY. But with the amount that has already been taken from the bill by the amendment just adopted, there will have to be, I fear, a further curtailment of service.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. Will the gentleman tell me how many postal employees were left off the payroll for this year in comparison with last year?

Mr. GARY. No regular employees were left off, but there was a substantial saving in connection with substitute employees. Some of the substitute employees were dropped. However, the main economy came in the reduced number of hours that the substitute employees worked.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. GARY. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mrs. ST. GEORGE. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from New York.

Mrs. ST. GEORGE. I should like to speak to two things the gentleman has brought up. One is the curtailment in the service. I feel that the reason for that curtailment has been very grossly exaggerated. After all, we all know and I think we are all agreed that we must make economies in nonessentials, that is, in nondefense spending on the part of the Government.

The Appropriations Committee told the Post Office Department that they had to save, that they had to economize. The Post Office Department then rushed out and curtailed the service as the first economy. I submit to the distinguished chairman of the committee that it might have effected economies in other ways. I think that had the Post Office Department investigated some of the practices in some of the offices they might have curtailed expenses. I know from the Hoover Report it was clearly pointed out that the Post Office Department could save many millions of dollars in various departments.

I merely wanted to ask the chairman of the subcommittee if he does not think that in all fairness the Post Office Department should try to cooperate, should try to come halfway instead of always coming before the various committees and saying, "We are very efficient, we do our work magnificently, and we cannot cut off one penny."

I have heard much testimony from the Department, and to my way of thinking

a great many cuts could be made. I think the Department could be made a great deal more efficient. I personally am embarrassed that the only way in which they have been able to cut expenses is by curtailing service to the American people.

Mr. GARY. If the gentlewoman will read the report of our committee she will find that we did not give the Post Office Department a clean bill of health on this score. I think it is an exceptionally efficient department, but there are many ways in which it can be improved.

Our committee has traveled practically all over the United States investigating first-hand conditions in the various post offices of the United States. We have suggested various changes to the Post Office Department. I think progress is being made in improvement of the service. However, I do not believe the Post Office Department can absorb further cuts without reducing the service, although I think they could have absorbed the amount our committee cut them. I am constrained to believe the action which this body has already taken is going to mean a curtailment in the service.

Mrs. ST. GEORGE. I thank the gentleman for telling me of these exhaustive investigations. I am very sure they have been made. I, too, have visited some of the post offices of the country, notably the post office in Chicago. At the time I saw that post office and went all through it, I was rather impressed by the many things that could be done to increase efficiency. May I ask the distinguished chairman of the subcommittee if he investigated and visited the post office in Boston?

Mr. GARY. The committee has not investigated the Boston post office. I so stated yesterday.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. The gentleman mentioned a \$165,000,000 figure. Why does that not show in the report? I am basing my amendment strictly upon the figures which are available in the report, which show that the transportation of mail in 1951 cost \$438,000,000.

My amendment proposes to give an additional \$16,200,000 above that amount. I do not know anything about this \$165,000,000 figure that the gentleman has brought into the controversy, but I think he is certainly trying to get the House off the issue in relation to my amendment.

Mr. GARY. I am trying to tell the Members of the House that this committee has investigated these matters rather fully. We know what is going to happen. There is certainly no point in cutting this appropriation any further when we are going to have to increase it later.

Mr. H. CARL ANDERSEN. You are basing your argument on an assumption of a condition in the future. I am trying to stick to the facts in the report.

Mr. GARY. These figures are based on the needs of the Post Office Department at the present time. They are

going to have to be increased, but we are not asking for that increase now, because we do not know how much it will be. We think the amount of \$465,000 is necessary for the present needs without taking into consideration any increase in the future.

Mr. TABER. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I do this for the purpose of calling attention to this situation. Last year our committee made the cut which the chairman of the subcommittee has referred to. The post office organizations and all of them were running up and down the length and breadth of the land making statements to the effect that one of the reasons why the Department cost so much was that they were ordering more railroad cars than they needed to haul the mail in different spots. The Interstate Commerce Commission fixes the rates which have to be paid to the railroads. However it does not fix the number of cars. The Department does that, and if its management is bad, the result is they order more cars and have to pay for more cars than they need. I am wondering when all these employee organizations and agents of the Department were out with those stories if they did not have something of the light of truth in it, and if there is not a saving at least of the \$10,000,000 that the gentleman from Minnesota has suggested.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. GARY. May I say to the gentleman that this return-car situation to which he has referred has been completely cleared up by the recent order entered by the Interstate Commerce Commission. That was one of the items which was taken care of in the rate-settlement case and it has been approved by the Commission.

Mr. TABER. But the thing went further than that. It went to the point where they were ordering more cars than they needed, and it would seem that that practice ought to be eliminated.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. PASSMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we are rushing through some cuts here in the appropriation for the Post Office Department. I wonder if the Members take into account that since 1945 the Congress has authorized pay increases for postal employees in the amount of \$800,000,000. If you consider other increases authorized by the Congress, the cost of operating the Post Office Department since 1940 has increased by \$1,444,000,000. You must take into account that the Post Office Department is going to have to operate according to the laws passed by the Congress. If you do not give them sufficient money, certainly they are going to have to ask for a supplemental appropriation next year. It was brought out that the Congress last year passed a resolution authorizing the Postmaster General to reinstate the curtailed services and by the same token there will be another amendment offered this afternoon to impose other expenses on the Post Office

Department. There will be others coming from the CAB and the ICC and so forth. If we are going to continue to pass legislation forcing the Post Office Department to operate with these tremendous expenses, certainly more money will have to be appropriated to carry out the laws passed by the Congress. I am tremendously disappointed that in all of the debate we have heard yesterday and today concerning extravagance and how much it costs to operate the Post Office Department, I have not heard one Member of the House say anything about increasing the postal rates to offset the one-half billion dollar annual loss incurred in operating the Post Office Department. Let us be consistent about this thing. If you want economy, then let us discuss postal rate increases along with the other arguments. Why do you not extend your remarks in the RECORD and make your positions known as to how you feel about postal rates and whether you are in favor of increasing them or forcing the department to continue to operate at a half-billion dollar annual loss?

Mr. PASSMAN. I yield to the gentleman from Indiana.

Mr. HALLECK. I remind the gentleman that in the Republican Eightieth Congress we passed a postal rate increase bill.

Mr. PASSMAN. Was it a real bill or a piecemeal bill? We passed a piecemeal bill here last year but you gentlemen have found that it will do but a small part of what is necessary to do in meeting the costs of operating the Post Office Department.

Mr. HALLECK. My recollection is—I do not know whether any member of the Committee on the Post Office and Civil Service is on the floor, but my recollection is that the bill raised something over a hundred million dollars.

Mr. PASSMAN. I think it was \$160,000,000.

Mr. HALLECK. One hundred and sixty million dollars. That is quite a considerable amount of money.

Mr. PASSMAN. Not when you take into account the fact that it is costing \$2,500,000,000 to operate the Post Office Department and you have a deficit of \$580,000,000 for the present fiscal year.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. GROSS. Does the gentleman believe that you can ever put the Post Office Department on a completely paying basis?

Mr. PASSMAN. If you put your business back home on a completely paying basis you can likewise put the Post Office Department on a completely paying basis. Yes; but it will take a lot of courage to do it. We will have to make a lot of people pay rate increases they justly should pay.

Mr. GROSS. This gentleman does not believe that at all.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. H. CARL ANDERSEN. Getting down to my amendment which is pend-

ing, the gentleman will admit that my amendment gives to the Department \$16,200,000 more than it had for the same item in 1951. What is unfair about that?

Mr. PASSMAN. I am in complete accord with the gentleman's views on economy; I have worked for it, but if you insist on passing legislation in this Congress placing additional duties and burdens upon the Post Office Department, creating additional expense, you have got to be willing to furnish the Department the money with which to meet them.

Mr. H. CARL ANDERSEN. But I think they can meet them with proper management within the amounts we have suggested.

Mr. PASSMAN. Not unless you amend the present laws, because you give the ICC and other agencies rate-making power, the power to fix rates for carrying the mails, which the Post Office Department must pay.

Mrs. ST. GEORGE. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from New York.

Mrs. ST. GEORGE. I think I may reassure the gentleman from Louisiana that the Committee on the Post Office and Civil Service now is studying a rate bill. I can assure the gentleman that it will be a bill that will considerably increase rates. It is a bill that will take courage to pass, but I believe courage still exists in this House.

Mr. PASSMAN. I thank the gentleman from New York. I hope the gentleman's committee will report out a bill to wipe out these subsidies which are enjoyed by the great publishing companies that should be made to shoulder their fair share of the cost of running this free enterprise system.

Mr. SADLAK. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. SADLAK. Does the gentleman contend that any increase we might make in the salary of postal employees must be conditioned on a rate increase?

Mr. PASSMAN. Is the gentleman speaking of an increase in salaries of postal employees?

Mr. SADLAK. I am. Must that depend on an increase in postal revenues? Does the gentleman from Louisiana contend that we must have an increase in postal rates before there can be an increase in salaries?

Mr. PASSMAN. I am speaking of the present, not the future. At the present time you have a tremendous deficit. If you increase postal rates to offset the deficit then if you want to increase the salary of postal employees, come back and increase the rates again.

Mr. BURDICK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I always feel good when I am supporting what a majority of my brother Republicans are for, but on this measure I cannot go along with them. I am a member of the Post Office Committee myself and while I can agree about postal rate increases I cannot forget that transportation rates are not fixed by the Post Office Committee or by

the Congress, or by the Postmaster General; they are fixed by the Interstate Commerce Commission. Those rates must be paid if you are going to send the mails. Now, that mail is going to be sent, and if you do not provide money enough for it and you demand that the Postmaster General send the mails, then he is going to have to curtail some other expense of administration in order to meet that need. We did that last year and I am not altogether free from criticism because I voted for a 10 percent reduction, but I did not for a moment think that we are going to take that 10 percent by reducing the mail service. That is what happened. Then we came into this Congress and passed an act in this House directing the Postmaster General to restore it.

Mr. GROSS. Mr. Chairman, will the gentleman yield there?

Mr. BURDICK. I will yield almost any place if the gentleman wants to pick it out.

Mr. GROSS. Let me say to the gentleman that the Postmaster General put his curtailment order into effect before the gentleman ever voted for the 10 percent reduction.

Mr. BURDICK. No; he put it into effect before we voted in this House to make him put it back, but the gentleman is wrong about the rest of it.

Mr. GROSS. No; I am not.

Mr. BURDICK. Do you want to curtail the mail service of the country? Is that what you want to do? If so vote for this amendment. I like to cut down expenses; I do that myself in my own business; I do not squander any money, and I do not want to squander any Government money. But I am not willing to have those who buy postage stamps have to pay more to send their letters in order to cover up this difference between transportation rates on the railroads and other lines in this country; I am not willing to do that.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I just want to make a very mild statement in my weak way and then I will yield to the gentleman. You are talking about a \$500,000,000 deficit; I can tell you where it is if you want to know. We contribute \$160,000,000 of that deficit; our frank and penalty mail costs \$160,000,000 every year.

Mr. PASSMAN. I think the gentleman will find franked mail cost \$1,000,000 annually, and penalty mail \$37,000,000 a year, not \$160,000,000.

Mr. BURDICK. I said \$160,000,000; the gentleman heard what I said.

Mr. PASSMAN. You said \$160,000,000?

Mr. BURDICK. Yes.

Mr. PASSMAN. Where does the gentleman get that information?

Mr. BURDICK. From the Postmaster General of the United States.

Mr. PASSMAN. If the gentleman will check the records I think he will find it is around \$38,000,000.

Mr. BURDICK. Oh, I checked them.

Mr. PASSMAN. I do not see where the gentleman got his information for the committee is under quite a different

impression. Does the gentleman speak about franked mail or penalty mail?

Mr. BURDICK. I said both of them. Now is the gentleman satisfied?

Mr. PASSMAN. No; I am not satisfied. I will yield a little later when I get the figures.

Mr. BURDICK. See me outside then. There is another \$51,000,000 involved when you are selling postal cards for 1 cent whereas they cost the Government 1.25 cents apiece. You can take that \$51,000,000 out of there. Then take out this \$160,000,000 involved in franked and penalty mail and we are losing \$200,000,000 on—

Mr. PASSMAN. Evidently the gentleman is mixed up in his figures. The cost of penalty mail is only \$37,000,000, and the cost of franked mail was \$1,000,000 in 1950. The gentleman is absolutely correct about the penny post card. It should be 2 cents.

Mr. BURDICK. I am not only correct in reference to the penny postal card, I am correct on the \$160,000,000. I see the gentleman has raised it \$45,000,000 above what he started in with.

Mr. PASSMAN. I thought the gentleman had reference to franking privileges.

Mr. BURDICK. Now, it is a question of who is off. I do not pretend I cannot be off, but I am very seldom in that position.

That question of the \$200,000,000 we are losing on parcel post is now before the Interstate Commerce Commission. The farmers do not object to paying a higher rate on that kind of mail. All they are interested in is getting it. I do not know of a farmer in my section of the country who is not willing to pay more. They do not want the Government to lose \$200,000,000 on that transaction.

I should have made my statement of \$160,000,000 loss more specific in answering the gentleman from Louisiana [Mr. PASSMAN]. The \$160,000,000 loss I was talking about included frank mail, penalty mail, and subsidies, all of which are not proper post office expenses and which the users of stamps should not have to pay in increased postal rates. The expenses should be covered by direct appropriations. With this explanation I am sure the gentleman from Louisiana will find himself in full accord and that if I had fully stated the proposition in the first place, no difference of opinion would have arisen.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. COUDERT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I hold in my hand this repository of all human wisdom, the CONGRESSIONAL RECORD, 4 inches thick, covering the period from September 11, to September 23, 1950.

My attention has been called to an incident reported in it that casts some light upon the discussion that some of us had a few moments ago with the distinguished chairman of the Appropriations Committee, the gentleman from Missouri [Mr. CANNON]. I and others have made the point that in relying upon personnel furnished by Government

agencies and bureaus to investigate other agencies and bureaus the Congress is running a very grave risk for the obvious reason there might be and probably must be a conflict of interest between those Government departments or agents and the Congress who represent the people who pay the taxes.

Back here a few years ago there was a very, very enlightening incident that really dramatizes this issue and illustrates the risk involved. You will remember the Un-American Activities Committee organized in 1938. The chairman of the Un-American Activities Committee, Martin Dies, recently made a speech which was put in the CONGRESSIONAL RECORD by the distinguished gentleman from Illinois [Mr. VELDE] on September 22, 1950. Listen to what Mr. Martin Dies says of his experience when he came to rely upon the Department of Justice to furnish investigators:

Well, I had started it—

Meaning the Un-American Activities Committee—

and I could not back up. I telephoned the Attorney General of the United States and said, "Mr. Attorney General, I want to secure the services of some competent and reliable investigators to assist me in my work."

That is precisely what the Appropriations Committee majority have been doing for the last 3 years with various Government agencies.

Mr. Dies continues:

He sent me two men. I received an anonymous telephone call, however, shortly before their arrival telling me both men were members of the Communist Party. I never knew who gave me the tip, but I acted on it. When they arrived I began to question them. I put them through the third degree. And finally they broke down and admitted they were members of the Communist Party who then worked for the Department of Justice and the Attorney General wanted to plant them on the committee which I headed.

I call the attention of the Members to that incident not because I am afraid we will get Communists particularly out of the agencies that provide us men to investigate other agencies, but merely to illustrate the obvious risk that we take in obtaining personnel from Government agencies to do work that the Congress itself should do through its own appointed agents exclusively responsible to itself.

Mr. CANNON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is rather disheartening to observe these partisan efforts to discredit a great man and a great service, one upon which we are depending at this time for intelligence and information essential to national defense and one upon which we are depending for counterespionage against the horde of foreign and domestic spies swarming through every section of the country endeavoring to secure information to undermine our institutions and destroy our Government.

The FBI has never been accused, has never before been charged with lack of integrity or disloyalty; has never before been accused of pulling its punches and protecting incompetence or waste or

bureaucracy. We are depending upon it and we have depended upon it these critical years, not only for domestic security but for national defense; the life and liberty of men in many parts of the country would not be secure without the FBI. The Nation itself would not be safe. It is no secret that upon the opening of hostilities the FBI would, within 1 hour, apprehend 4,500 persons, spies, Communists, and saboteurs, who are at large in this country, with whose identity we are familiar, and whom we are watching but leaving undisturbed in order to trace associates and uncover ramifications of the organizations of which they are a part, and whom it would be necessary to pick up immediately in case of a declaration of war.

You can go through the files and records of the courts and of the military and civilian activities and functions of the country and you will not find a single instance in which an FBI operator was found derelict in his duty or recreant to any trust reposed in him. It is a record of which we may all be proud, regardless of party, instead of seeking to cast aspersions on them.

These are the men upon whom these partisan attacks are being made here today.

Now, let us take the man he quotes here in the excerpt read from the CONGRESSIONAL RECORD. It is a matter of common knowledge that this man repeatedly wrecked Government plants to apprehend criminals and break subversive rings by his overwhelming desire for publicity; that in order to get in the limelight and make the front pages of the newspapers he repeatedly betrayed confidential information which the FBI had given him in connection with the work of the Committee on Un-American Activities. That is the character of man quoted here against the most competent espionage organization ever assembled, one upon which we must depend for domestic security and national safety.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from New York.

Mr. COUDERT. Mr. Chairman, I can understand that the gentleman should naturally be glad to divert attention from the issue that we are raising here by bringing in the FBI and the character of the FBI and Mr. Hoover and the others. It is quite clear on the RECORD that neither I nor any of my colleagues at any time have brought into issue the character or ability of the FBI or of its chief, Mr. Hoover?

Let me call attention to the fact that the quotation from the Dies speech, which I just recited, referred solely to the Attorney General; and, furthermore, I only use it as an illustration of what could happen when we rely on employees of some Government agencies to investigate other Government agencies.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. CANNON. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. SHAFER. I object, Mr. Chairman.

Mr. TABER. Is the majority of the committee ever going to move to close debate?

Mr. PASSMAN. I do not think we want to enter into a debate on that at the moment.

[Mr. CRAWFORD addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. PASSMAN. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. BURDICK. Mr. Chairman, will the gentleman yield? I think I can clear up the situation.

Mr. PASSMAN. I am sure the gentleman can, and perhaps save me the trouble of speaking.

Mr. BURDICK. What I said would make a saving of \$160,000,000 and I still stick to it. Here is what it is based on: It is penalty mail and franked mail and airmail subsidies. I left that part of it out, but altogether that makes \$160,000,000, and that is what I am going to stand on.

Mr. PASSMAN. And if the gentleman wishes to add all the other subsidies, it comes up to \$546,000,000.

Mr. Chairman, the gentleman from Michigan [Mr. CRAWFORD] directed two or three questions to me and then he attempted to answer the questions which he asked. I want to ask the gentleman a couple of questions, and I know that I am challenging a man who is very capable in debate on the floor, but I will give him the opportunity to answer the questions which I ask him. I ask the gentleman from Michigan [Mr. CRAWFORD] if he is in favor of the large business houses paying their own way as far as postage is concerned, including the postage on the penny postal cards?

Mr. CRAWFORD. Would the gentleman let me answer that?

Mr. PASSMAN. I told the gentleman before that he would have all the time he needs to answer it.

Mr. CRAWFORD. If the gentleman from Louisiana will look at my remarks as taken down by the Official Reporter, he will find that I emphatically said I was in favor of business people who receive those services paying for them.

Mr. PASSMAN. That is wonderful. Maybe the gentleman from Michigan can make that a little plainer as to newspapers, magazines, and books, and state whether he is willing to increase their rates so that they will not be subsidized.

Mr. CRAWFORD. Do they not also receive the service? What you are trying to do is to put me behind the eight ball with respect to newspapers.

Mr. PASSMAN. Well, we will both be behind the eight ball. You put me behind the eight ball, so let us both get there.

Mr. CRAWFORD. I have answered the question, and I emphatically repeat that I am in favor of them paying their share and their part of the expense the same as the little fellow who buys a post card.

Mr. PASSMAN. Is the gentleman from Michigan speaking about newspapers now?

Mr. CRAWFORD. I certainly am. The gentleman from Louisiana understands that language, does he not?

Mr. PASSMAN. I understand it.

Mr. CRAWFORD. And the press heard it.

Mr. PASSMAN. I am going to give the gentleman an opportunity to understand me, which the gentleman did not give me before when he would not let me answer his question.

Mr. CRAWFORD. The press heard what I said and my remarks will not be changed. The gentleman can bet on that.

Mr. PASSMAN. I may add to my remarks, if it is within the rules of the House, but I do want to clear up that matter.

Mr. CRAWFORD. The gentleman gets an answer from me whenever he asks me a question.

Mr. PASSMAN. And the gentleman from Michigan will get an answer from me next time if he will give me an opportunity to answer his questions and not attempt to answer them for me.

Mr. Chairman, I think it should be brought what the amount of subsidies are. The cost of penalty mail for the fiscal year 1950 was \$37,710,000, and the cost of franked mail was \$1,071,000. I agree with the gentleman that should he add the subsidies to the air lines it comes up to nearly \$160,000,000. I did not wish to get into any heated discussion with my friend, the gentleman from Michigan. I am in favor of economy and I practice it in my business and in my office. But I recognize the need for increases in postal rates, and there have been too few Members of the House who expressed themselves as being willing to vote for postal rate increases. I think that should be discussed.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. NICHOLSON. The gentleman from Iowa [Mr. Gross] yesterday called attention to the fact that they were carrying mail 300 miles beyond where it was supposed to be left, and brought back the 300 miles. Would it not be a saving if they could drop the mail off where it was supposed to go in the first place?

Mr. PASSMAN. Occasionally you may find a road washed out and you would have to go by another route. What the gentleman brought out here very definitely was the exception and not the rule under which the Post Office Department operates, and I am sure the gentleman who brought that point out knows that as well as I do.

Mr. Chairman, I yield back the balance of my time.

Mr. CANNON. Mr. Chairman, I move to strike out the last word.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield.

Mr. GARY. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close in 5 minutes.

Mr. KEATING. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. KEATING. Mr. Chairman, did I correctly understand that the Chair has recognized the gentleman from Missouri?

The CHAIRMAN. The gentleman from Missouri yielded to the gentleman from Virginia.

Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. KEATING. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Does the gentleman from Missouri yield for a parliamentary inquiry?

Mr. CANNON. I yield.

Mr. KEATING. Mr. Chairman, is it in order for the gentleman from Missouri to be recognized again on this same amendment?

The CHAIRMAN. The gentleman from Missouri offered a pro forma amendment before, I think, to strike out two words. This time his amendment was to strike out four or five. Under these circumstances the amendment is in order and the gentleman is recognized.

Mr. CANNON. Mr. Chairman, I can understand the anxiety of the gentleman to prevent us from answering over here. The gentleman from New York made the wholly unsupported charge that the Committee on Appropriations' system of investigation is a system of bureaucracies investigating bureaucracies. When we made it clear that the statement was without foundation because we used FBI men against whom no such charge could be lodged, he attempted to beg the question by saying he meant the Department of Justice. Mr. Chairman, our investigations are spearheaded exclusively by FBI men, so the strictures of the gentleman were against the FBI.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Indiana.

Mr. HALLECK. Let me ask just for information: Does the Appropriations Committee in asking for the services of other people in the Government or agencies of the Government limit itself wholly to people in the FBI? Or does the committee on occasion ask for the help and assistance of persons in the agencies of the Government other than the FBI?

Mr. CANNON. As far as I know we have never used anyone but FBI agents. Every requisition for an investigation is referred to the FBI man at the head of our staff. All investigations are in charge of FBI agents. They are specialists trained in the field of investigation, men against whom no charge has even been brought of inefficiency or lack of integrity. Our years of experience with them has more than justified that reputation. We have never failed to get any information we asked; it has never failed to be comprehensive and accurate.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Michigan.

Mr. RABAUT. Mr. Chairman, the FBI is held in such high esteem that

none other than the Ford Motor Co., under the able management of Henry Ford III, took Mr. Bugas, an FBI man in charge of the Detroit branch, and made him an officer of the Ford Motor Co. We praise big business at times; we are imitating them here in the House of Representatives in the Appropriations Committee.

Mr. CANNON. In conclusion let me say, Mr. Chairman, that we are using the most efficient method and the most economical method yet devised. No one has ever asked for information he did not secure. And it has always been authoritative.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Iowa.

Mr. GROSS. Was the FBI available for purposes of investigations by other committees of Congress?

Mr. CANNON. I do not know about that. The Committee on Appropriations has a working arrangement with the Bureau which we have had with them for many years under which investigators are available to us without restriction. We transfer them to our rolls at their current salary for a week or two weeks or the time required to complete the specific inquiry for which they are called and as soon as the investigation is completed we transfer them back. We pay only their regular salary and only for the time actually employed.

Mr. GROSS. Is the FBI available for investigating overstaffing and inefficiency in various other agencies?

Mr. CANNON. Oh, yes. They make any inquiry assigned to them and we have found the information with which they supplied us invariably accurate.

Mr. HALLECK. Mr. Chairman, will the gentleman yield further?

Mr. CANNON. I yield to the gentleman from Indiana.

Mr. HALLECK. Is it a fact that the gentleman or his committee, or he for the committee, twice a year files a report of reimbursement to the other agencies of the Government for personnel used? Is that correct?

Mr. CANNON. We file under the rules of the House semiannually a report on the employment of all members of our staff.

The CHAIRMAN. The time of the gentleman from Missouri has expired. All time on this amendment has expired.

The question is on the amendment offered by the gentleman from Minnesota.

The question was taken; and on a division (demanded by Mr. H. CARL ANDERSEN) there were—ayes 63, noes 67.

So the amendment was rejected.

The Clerk read as follows:

Notwithstanding any other provision of law, no part of any funds appropriated to the Post Office Department shall hereafter be used for the transportation (within the continental limits of the United States) of mail over any route or by any means which the Postmaster General determines to be more costly than other available and equally satisfactory routes or means.

Mr. CROSSER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CROSSER: Page 15, strike out lines 12 to 18, inclusive.

[Mr. CROSSER addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. HARRIS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I cannot sit here and let an important matter like this come before the committee to be voted on without a further clarification and explanation. It will be remembered a year ago the distinguished chairman of this subcommittee, for whom I have the highest regard and who with his subcommittee has done an exceedingly good job in trying to bring to this House and the committee this important appropriation bill, brought to the attention of the House the same issue which is presented here today. I opposed this attempt to thwart legislative policy by an appropriation and such encroachment by the Appropriations Committee. I support this amendment now by our chairman.

The Appropriations Committee is endeavoring to change a policy of the Government, a legislative policy, by an appropriation bill. In the first place, I think most of us agree that an approach like this to a general policy proposition is bad. We had the fight on this issue a year ago. The committee refused to permit the change of an important policy as included in this provision. It affects the national security of our country, it affects the future security of this country.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Mississippi.

Mr. RANKIN. What is the object of this provision, beginning in line 12 and going through line 18?

Mr. HARRIS. The object of the provision, according to the report of the committee as I understand it, is to give the Postmaster General authority to make determination in all instances the methods and means of transportation of mail including rates which are under jurisdiction of Interstate Commerce Commission and Civil Aeronautics Board.

Mr. RANKIN. Is that done for the purpose of trying to prevent the transportation of mail by airplane?

Mr. HARRIS. This is done, so the committee says in its explanation for the purpose of preventing the CAB carrying out law which requires the Post Office Department to enter into an agreement for the transportation of mail from airports to the post office by helicopter. But I say to the gentleman this language is more far-reaching than that. The Postmaster General says if this provision as included in this language stands, and if he found it was uneconomical, and it is in a lot of cases, to discontinue star-route service, he could cancel every star-route contract in the United States.

The gentleman from Alabama [Mr. BATTLE] a moment ago spoke of transportation of mail by air. The Postmaster General under this provision could cancel every contract of any of the

smaller and feeder air-mail services throughout the United States. There are only four big airline companies that could qualify under this provision. That is how far-reaching it is.

Mr. RANKIN. Well, if he made as thorough a mess out of it as DiSalle, alias DiSalvo, has in fixing the price of cotton, he might stop the mails altogether.

Mr. HARRIS. I am sure the gentleman would not advocate the stopping of mail altogether, but I agree with him thoroughly on a terrible mistake by Mr. DiSalle in imposing a ceiling price on cotton. However, that is not in issue here.

Mr. RANKIN. I will say this: I am in favor of striking out this provision. I am for carrying all the mail by air we can.

Mr. HARRIS. The Department of the Army, the assistant to the chief on behalf of the Army, has transmitted a communication to the gentleman from Texas [Mr. BECKWORTH], a member of our committee, in which he says that the Department of the Army favors the retention of this section of the act. The gentleman from Texas [Mr. BECKWORTH] could not be here today and asked that I read these letters to the House. He is unavoidably away.

The Secretary of the Navy for Air says:

It is believed that the provisions of the Civil Aeronautics Act authorizing mail pay for commercial scheduled operations must be retained in order to achieve the fullest development of the helicopter for commercial passenger operation.

I will include the full text of these letters as a part of my remarks in the RECORD.

I am not particularly concerned with helicopter service altogether. If the gentleman is fair—and I know he wants to be—and wants to get at helicopter service, why not limit this to helicopter service?

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. HARRIS. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARRIS. Why does not your committee say "helicopter service," and not include the entire provision of uneconomic contracts, as your report and your provision says?

Now, the Members of this House know that our committee told you a year ago that we were going into this matter in an endeavor to try to do something about it. We did that. You remember the fight on the air-mail subsidy-separation bill we brought to the House last year. You remember the fight we had when we were over in the Committee on Ways and Means room. You remember we went back and the members of our committee with others got together on a bill, brought it out and passed it in this House, which would get to this particular problem. We have done what we said we would do. But yet I do not want

to stand by, Mr. Chairman, and see a change in policy by a limitation in an appropriation bill that will change an important national defense policy of this country. The Post Office Department is opposed to it.

Let me say to the gentleman, too, in talking about the helicopter service, which you say you are trying to get to, Is it not true that the Post Office Department initiated and supports the helicopter service of transporting mail from the Los Angeles Airport to the post office?

Mr. GARY. They opposed it at the Chicago post office.

Mr. HARRIS. I am asking the gentleman about Los Angeles.

Mr. GARY. I do not know about Los Angeles. This amendment would not prevent them from installing helicopter service at any point in the United States.

Mr. HARRIS. Well, what is the purpose of the amendment, then, may I ask?

Mr. GARY. It leaves it within the discretion of the Postmaster General, and we want to leave it that way. If the Postmaster General says it is an essential service, then he can use it. If he does not think so, then he cannot use it. And, I ask the gentleman, who is better prepared to determine how mail should be transported than the Postmaster General of the United States? If he is not, he ought to be discharged.

Mr. HARRIS. The Postmaster General told me, and he told you, as shown in the report, that if you delegated this authority and imposed this responsibility upon the military, that the Post Office Department is carrying out in the interest of national defense, it will cost not 1 time but 10 times more than it costs for the Post Office Department to do it.

Mr. GARY. May I read from the Postmaster's statement on page 19 of the transcript of the hearings?

Mr. HARRIS. The gentleman may do it in his own time. I cannot yield for that purpose.

Mr. GARY. The gentleman asked about the Postmaster General.

Mr. HARRIS. I do not have the time for that. I should like to say this: I have voted for a number of these amendments to reduce the amounts and I have voted against some of them. I am for economy and as I say have so voted here today and yesterday on most of these reductions. We must reduce the Federal budget on nonessential expenditures and wherever we can to obviate the necessity of higher taxes. I know it is going to be contended that this is another move toward economy. But, gentlemen, for the interest of our country and the national defense, false economy is bad. The Postmaster General told me this was bad. The Postmaster General told me it should be deleted, and I ask that the committee sustain this action.

Mr. D. W. Rentzel advises the Civil Aeronautics Board is unalterably opposed to this and said such a change may have a disastrous effect not only on helicopter service, but also with respect to continued operations of local service carriers as well. I will include the full text of his letter to Mr. BECKWORTH, with my statement, too.

Mr. Chairman, this could be a very dangerous departure and I ask that this amendment of our chairman be adopted.

DEPARTMENT OF THE ARMY,
OFFICE OF THE CHIEF OF
LEGISLATIVE LIAISON,
Washington, D. C., March 20, 1951.

HON. LINDLEY BECKWORTH,
House of Representatives.

DEAR MR. BECKWORTH: The Secretary of the Army has asked me to reply to your communication of March 15, wherein you asked whether the Department felt it necessary that the Civil Aeronautics Act of 1938 remain as it is in regard to the development of aviation, and in particular, the development of the helicopter.

The Department of the Army favors retention of those sections of the act which pertain to the encouragement and development of air transportation, as it is believed these sections adequately provide for the future development of helicopters. Without further study, it is not possible to offer comments with respect to other provisions of this act.

Your interest in this matter is appreciated and I trust the foregoing information will be helpful to you.

Sincerely yours,

T. A. YOUNG,
Assistant to the Chief.

THE ASSISTANT SECRETARY OF
THE NAVY FOR AIR,
Washington, March 20, 1951.

HON. LINDLEY BECKWORTH,
House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: Thank you for your letter of March 15, 1951, to Secretary Matthews, requesting the Navy's opinion concerning the necessity of retaining the Civil Aeronautics Act in its present form in order to insure further development of the helicopter.

The Civil Aeronautics Board has granted a certificate of necessity and convenience to Los Angeles Airways for helicopter operation in Los Angeles and a certificate to the Chicago Helicopter Service for operation in Chicago. Both companies are presently engaged in scheduled operations carrying the mail but no passengers. The Board has pending before it applications for certificates in other cities.

I am informed that these operations have been authorized with the hope that they will demonstrate the practicality of carrying passengers in scheduled operations as well as mail.

The military services are of course developing the helicopter for specialized military purposes. Some of the helicopters developed by the military services may be susceptible to modification for commercial passenger use. It is believed, however, that the provisions of the Civil Aeronautics Act authorizing mail pay for commercial scheduled operations must be retained in order to achieve the fullest development of the helicopter for commercial passenger operations.

Sincerely yours,

JOHN F. FLOBERG.

CIVIL AERONAUTICS BOARD,
Washington, March 19, 1951.

HON. LINDLEY BECKWORTH,
Committee on Interstate and Foreign
Commerce, House of Representatives,
Washington, D. C.

DEAR MR. BECKWORTH: I am writing to tell you of my deep concern over an amendment to the Treasury and Post Office appropriation bill for 1952 which was contained in the bill as reported by the House Appropriations Subcommittee on Thursday, March 15. This amendment provides that no part of any funds appropriated to the Post Office Department shall be used for the

transportation within the continental limits of the United States of mail over any routes or by any means which the Postmaster General determines to be more costly than other available and equally satisfactory routes or means.

I believe that enactment of this proposed amendment may have a disastrous effect, not only with respect to the continuation of helicopter service, which I understand was discussed primarily by the subcommittee, but also with respect to continued operation of our local service carriers as well.

It is my view that adoption of this amendment would radically change the basic philosophy of the Civil Aeronautics Act of 1938, as amended, which charged the Civil Aeronautics Board with the duty of fostering air transportation not only to meet the needs of the postal service, but also in the interest of commerce and the national defense. In this connection I should like to point out that there are now under consideration by the Congress several proposals for separation of the subsidy element from mail pay, the purpose of which are to divorce Government subsidy from the Post Office appropriation and relate such subsidy directly to the national interests involved.

In view of these facts I am strongly of the opinion that this substantive proposal which would have such a far-reaching effect, should be enacted, if at all, only after full hearings have been held and thorough committee consideration given to its effect upon our air-transportation policy.

For your information I am enclosing copies of letters which I have address to Hon. GORDON CANFIELD, United States Representative from New Jersey, and to Hon. John M. Redding, Assistant Postmaster General, on this subject.

Sincerely yours,

D. W. RENTZEL,
Chairman.

Mr. GARY. Mr. Chairman, I ask unanimous consent that all debate on this amendment be limited to 15 minutes, with the last 5 minutes to be reserved to the committee.

Mr. HINSHAW. Reserving the right to object, Mr. Chairman, we went along for about 2 hours talking about nothing a little while ago and the gentleman did not do anything about it. Now we have an important amendment on the floor and the gentleman wants to shut off debate.

Mr. GARY. I was doing it at the request of the ranking minority member of the Appropriations Committee. He a little while ago if we could not limit debate somewhere. He asked it publicly on the floor.

Mr. CANFIELD. It was not regarding this item, it was on the other item.

Mr. GARY. I was referring to the gentleman from New York [Mr. TABER].

Mr. CANFIELD. I filed a minority report on this item. I want to see it debated thoroughly.

Mr. GARY. I am perfectly willing to stay here all night. I have no other engagement. I am perfectly willing to let the debate go on just as long as the Members want it to go. I am just trying to find out how much time the House wants to spend on this. There is no disposition on my part to shut off any debate.

Mr. HINSHAW. Why do we not wait a while, then?

Mr. O'HARA. Let us go on a few minutes, then.

Mr. GARY. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 30 minutes, the last 5 minutes to be reserved to the committee.

Mr. HINSHAW. Reserving the right to object, Mr. Chairman, I see 10 Members on their feet. That is 3 minutes apiece. We could not get started.

Mr. O'HARA. I object, Mr. Chairman.

Mr. TABER. Why does not the gentleman move it?

Mr. GARY. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 30 minutes, reserving the last 5 minutes for the committee.

Mr. KEATING. Mr. Chairman, I make the point of order that a reservation of time to the committee is not in order in such a motion.

The CHAIRMAN. The Chair sustains the point of order.

Mr. GARY. Then, Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 30 minutes.

The CHAIRMAN. The question is on the motion.

The question was taken; and on a division (demanded by Mr. HARRIS) there were—ayes 89, noes 20.

So the motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, in order that we may understand this question, we must recognize that beginning back in the 1880's we established the Interstate Commerce Commission to bring order out of chaos in the matter of rates. The Interstate Commerce Commission has been in business all these years.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Arkansas.

Mr. HARRIS. Is it not a fact that this language here would have been subject to a point of order had not the committee gone to the Committee on Rules and obtained a rule waiving points of order? That shows how important this is.

Mr. HINSHAW. They went to the Rules Committee and got a rule waiving points of order. Otherwise, it would have been out of order.

The Interstate Commerce Commission sets the rates for the transportation of everything, including persons, mail of course, and property of all kinds for the railroads. The same thing is true almost exactly in respect to aviation. The Civil Aeronautics Board establishes the rates and fixes the routes and all that sort of thing. Those two Commissions have brought order out of chaos. With this amendment you may make it possible for a trucking company to cut rates and bid against an agency which cannot change its rates or vary its route, and that is probably as unfair a thing as ever occurred in the history of this Congress, legislatively, and this is legislation on an appropriation bill. The legislation makes possible this situation: If the Postmaster General chooses to do so, he may cancel every star route in the country and in effect knock out all of the

railroad certificates and the certificates issued by the Civil Aeronautics Board. If that is what the Congress wants to do, in a little sleeper like this one, without any hearings at all and without it even having been mentioned to the legislative committee—we only heard of it by accident—why then go ahead and do it. As has been said by the gentleman from Arkansas, we are handling this in the normal, regular, legislative way in our committee. Shortly I believe we will be prepared to bring out a bill which will do that which the gentleman from Virginia [Mr. GARY] hopes to do by his rider. We brought a bill out last winter as you remember. Let us, for goodness sake, not ball up the entire transportation system of the country by a legislative sleeper like this one on an appropriation bill. It is the worst thing I have seen happen in this Congress.

Mr. Chairman, under leave to extend my remarks, I include the following letters:

CAB DOCKET NO. 946 ET AL., NEW YORK CITY AREA HELICOPTER SERVICE CASE

THE PORT OF NEW YORK AUTHORITY,
DEPARTMENT OF AIRPORT DEVELOPMENT,
New York, N. Y., February 14, 1951.

Maj. Gen. ROBERT M. WEBSTER,
Commanding General,
Eastern Air Defense Force,
Mitchel Field, Long Island, N. Y.

MY DEAR GENERAL WEBSTER: The Civil Aeronautics Board, through Ferdinand D. Moran, examiner, is at present conducting a hearing to determine whether a commercial helicopter service for the transportation of mail, passengers, and property in the New York area should be certificated. Among the most important considerations being heard is that of whether such service will be in accord with the requirements of national defense.

The Department of Defense has endorsed helicopter service for the New York area as being helpful to over-all military needs. However, little formal attention has been devoted to civilian defense aspects of this proceeding. Local civilian defense groups have indicated that they must rely upon the military for orientation and guidance on the facilities which can be helpfully employed for civilian defense purposes. They have further stated that your individual judgment could be most helpful to them and to the Civil Aeronautics Board in evaluating the potential contribution which a certificated helicopter service could make to civilian defense in this area. Your expressions with respect to this matter would, in my opinion, be very welcome and helpful to the Board in reaching a decision in this proceeding.

It is my understanding that such a communication should be directed to Mr. V. Rock Grundman, public counsel, Civil Aeronautics Board, care of Commerce and Industry Association, 233 Broadway, New York, N. Y.

Sincerely yours,
FRED M. GLASS,
Director of Airport Development.

THE COMMANDING GENERAL,
EASTERN AIR DEFENSE FORCE,
MITCHEL AIR FORCE BASE,
New York, February 16, 1950.

Mr. FRED M. GLASS,
Director of Airport Development,
The Port of New York Authority,
New York, N. Y.

DEAR MR. GLASS: You have informed me that certain local groups and individuals who are seriously interested in the civil-defense problem of the New York City metropolitan area, have asked that I express my opinion as to the potential utility of the helicopter

service now being proposed for the metropolitan area, in the event of attack by modern air weapons.

The New York City area is particularly vulnerable to attack from aircraft and submarines because its location on the Atlantic seaboard makes difficult the establishment of defenses against aircraft in depth, and exposes the area to attack by short-range guided missiles from the adjacent coastal waters. Since geographical position in this case enhances the probability of successful attack, the local civil-defense organization must be prepared to cope with that eventuality.

The helicopter has already proven to be of extraordinary value in emergencies where other means of transportation could not be used. New York City is confronted with a much greater civil-defense problem than any other densely populated area in the world. In my opinion, the use of helicopters in the control and direction of fire fighting, evacuation, and the other organized action undertaken, would be invaluable.

Yours sincerely,

ROBERT M. WEBSTER,
Major General, United States Air Force.

THE DEPUTY SECRETARY OF DEFENSE,

Washington, D. C., December 16, 1949.

Mr. V. ROCK GRUNDMAN,
Public Counsel, Civil Aeronautics Board,
Washington, D. C.

DEAR MR. GRUNDMAN: In accordance with your request of October 24, I am pleased to attach the comments of the Departments of the Army, Navy, and Air Force, and of the Research and Development Board on the New York area helicopter service case, docket No. 946 et al. As you will note, the expansion of commercial helicopter operation is of interest to these components of the Department of Defense. Civil helicopter operations can be an important supplement to military operations and to current military research on this type of aircraft.

Sincerely yours,

STEPHEN EARLY.

DEPARTMENT OF THE ARMY,

Washington, D. C., December 1, 1949.

Memorandum for the Deputy Secretary of Defense.

Subject: New York Area Helicopter Service Case, Docket No. 946, et al., of the Civil Aeronautics Board.

1. The Department of the Army is vitally interested in fully exploiting the military capabilities and application of rotary wing aircraft. This relatively new field of aeronautics is believed to have a definite future in connection with ground operations by assisting and expediting the advance of the ground gaining arms.

2. The Department of the Army requirements for rotary wing aircraft fall generally in two categories, i. e., those types organic with the tactical and service units of the Army as authorized by the National Security Act of 1947, Public Law 253, Eightieth Congress, and Joint Army and Air Force Regulations No. 5-10-1, and those types, organic to the Department of the Air Force, which are required to support combat operations of the Department of the Army.

3. Department of the Army organic utilization of small, highly maneuverable and easily maintained helicopters includes such missions as the maintaining of aerial surveillance of enemy forward areas for the purpose of locating appropriate targets, adjusting artillery, rockets and guided missiles, short range aerial reconnaissance, courier, and emergency front-line aerial evacuation. Requirements for tactical air support type helicopters employed by the Air Force in support of the Army included large, medium range, troop transport type helicopters and short range, heavy lift, flying crane type

helicopters to facilitate the air movement of combat troops and matériel over impassible terrain void of large prepared airstrips. In addition, their capability of operation in defilade and during periods of relatively poor visibility and low ceilings make them highly suitable for arctic, jungle, and mountainous warfare.

4. The expanding application and utilization of rotary wing aircraft by agencies outside the Department of Defense will considerably aid the services in the development of this new field for military purposes since, in many cases, this civilian utilization is quite similar to military application as opposed to military requirements for fighter and bomber type aircraft having no civilian counterparts. Accordingly, the demand of civilian operators that they have increasingly better performance, lower initial cost, lower maintenance and operating costs will greatly stimulate the helicopter industry to strive for better design, better performance, improved manufacturing, production and distribution capabilities and, in general, to improve the utility of its product thereby assisting the services by furthering developments in this field at less research and development cost to the Government.

5. This stimulus will be of particular assistance to the Department of the Army in view of the fact that in general, the size, weight-carrying capabilities and types of helicopters that would normally be employed in such an endeavor as this are comparable to those employed organically by the Department of the Army. In addition, the experience gained and statistics compiled by such an endeavor in the transportation of cargo and personnel, the rapid movement of ambulatory patients and utilization as a communications medium will be of great value in supplementing Army experience with this type aircraft for similar missions under combat conditions.

JOHN W. MARTYN,
Administrative Assistant.

DEPARTMENT OF THE NAVY,
OFFICE OF THE SECRETARY,
Washington, November 30, 1949.

From: The Secretary of the Navy.
To: The Secretary of Defense.
Subject: New York Area Helicopter Service Case, Docket No. 946, et al., of the Civil Aeronautics Board.

1. With reference to your memorandum of November 9, 1949, in regard to New York Helicopter Service Case Docket No. 946, et al., of the Civil Aeronautics Board, I wish to state that the Navy is greatly interested in further development of rotary wing type aircraft. The superiority of the helicopter for many naval uses has been amply demonstrated by actual fleet operations.

2. Despite the rapid progress attained to date there still remains a great deal of research and development work to be accomplished before the helicopter can be considered entirely satisfactory as a service type. Although the Navy will have to continue its own prototype developments due to design limitations peculiar to shipboard operations, any expansion of the helicopter industry through commercial operations will greatly accelerate the development of the helicopter. In addition, quantity production of helicopters because of increased commercial operations will reflect itself in lower costs to the Government of this type of aircraft and would provide an industry which could be more easily expanded in times of emergency.

3. I feel that helicopter service in the New York City metropolitan area demonstrates progressive, forward planning. The establishment of helicopter services will give impetus to the helicopter industry in general

and therefore, will be of great value to the Navy.

4. Commander C. E. Houston, United States Navy, will be available to serve as a witness, if his presence is so desired, to sponsor the above statement.

DAN A. KIMBALL,
Under Secretary of the Navy.

RESEARCH AND DEVELOPMENT BOARD,
Washington, D. C., November 21, 1949.

Memorandum for the executive secretary,
Office of the Secretary of Defense.

Subject: New York Area Helicopter Service Case, Docket No. 946, et al., of the Civil Aeronautics Board.

Reference: (a) Memorandum for the Departments and the Research and Development Board from the Executive Secretary, Office of the Secretary of Defense, dated November 9, 1949.

1. Your memorandum of November 9, 1949, was referred to the Committee on Aeronautics of the Board. Comments contained herein are based upon the opinion of the secretariat of the committee, but have not been referred to the committee for formal action.

2. The Research and Development Board is interested in the subject case, particularly with respect to its possible effect upon the progress of research and development on helicopters. Exploitation of helicopters for commercial use would have desirable effects on the over-all helicopter research and development program. An expanded helicopter transport industry will materially benefit the Department of Defense, and will promote a healthier industry. There will be a tendency toward greater research and development support by private capital. A general improvement in engineering designs and techniques will result. Production processes will become more economical. Solution of such critical problems as stability and control, all-weather operations, etc., will be given greater impetus. A stronger, larger nucleus of trained pilots, maintenance crews, research, development and production facilities will result. It appears that the helicopter suitable for commercial use will also be suitable, with minor modifications, for application to certain operational requirements of the Department of Defense.

3. The Department of Defense is currently supporting the helicopter research and development program with both research and development and production funds. The present helicopter program has been reduced, due to lack of funds, to a level below what is considered the minimum desirable program. This situation is true, despite the fact that a certain amount of research and development in rotary wing aircraft design and components is being supported by the aircraft industry. Information regarding the helicopter production program indicates that the quantity of this type of aircraft will be below the quantity necessary to meet projected operational requirements in the event of an emergency. An expansion of the helicopter transport industry will tend to make available more private capital for the support of research and development and will make available helicopters and crews to alleviate anticipated shortages in the event of an emergency.

4. The Board does not believe it desirable to supply any witnesses for testifying in this case. It is believed more appropriate that personnel with operating experience from the departments be made available in case the Department of Defense wishes to supply witnesses for testifying in this case.

R. F. RINEHART,
Acting Chairman.

DEPARTMENT OF THE AIR FORCE,
Washington, November 28, 1949.

Memorandum for the Deputy Secretary of Defense.

Subject: New York Area Helicopter Service Case, Docket No. 946, et al., of the Civil Aeronautics Board.

Reference is made to memorandum from executive secretary, Office of the Secretary of Defense, dated November 9, 1949, subject as above, with attached letter from Mr. V. Rock Grundman, public counsel, Civil Aeronautics Board.

The Air Force wishes to reaffirm its position with reference to commercial operation of helicopters as stated in a letter to Mr. Frank J. Delaney of the Post Office Department on July 11, 1947, and also Under Secretary Barrow's letter of October 11, 1948.

It is not believed that the helicopter is being fully exploited from a commercial standpoint. The main reason for this is the high initial cost of the aircraft coupled with relatively high maintenance cost. The use of more helicopters in commercial operations would tend to reduce these factors, accelerate the development of this type aircraft, and give to industry a greater incentive to develop more advanced designs. Extensive commercial use of helicopters would improve flying techniques and lead to the development of suitable instruments for blind flying. The high cost of helicopters would undoubtedly be reduced with more of this type of aircraft in operation.

It is considered that the increased facilities made available by the employment of helicopter air transport in large cities would most certainly increase the defense potential. Information reaching this office indicates that the helicopter mail service in the Los Angeles area has been very successful. With more advanced type helicopters currently under development, the efficiency of commercial operation will increase.

The Department of the Air Force strongly recommends that favorable consideration be given to approving the New York area helicopter service case, Docket No. 946.

HAROLD C. STUART.

HEADQUARTERS, ARMY AIR FORCES,
Washington, July 11, 1947.

Mr. FRANK J. DELANEY,
Solicitor, Post Office Department,
Washington 25, D. C.

DEAR MR. DELANEY: This is in reply to your letter of July 2, 1947, concerning benefit to the national defense from the use of helicopters by the Post Office Department in its air-mail operations.

The helicopter is a comparative newcomer in the aircraft field and its full military significance has not yet been fully exploited. However, although the first American helicopter flew in 1940, its usefulness to the Armed Forces has progressed tremendously in the short span since that time.

The helicopter is unsurpassed as a rescue vehicle. It is presently being tested by the Army ground forces for air observation purposes, as a general utility aircraft, and is being investigated as a possible airborne assault vehicle. These are the prime military applications to date, however there are many other miscellaneous uses, such as the laying of communication lines, laying of pipelines, radar calibration, mapping, etc.

It is our feeling that the helicopter has unlimited possibilities. We believe it is the vital link necessary to complete the chain between surface and air transportation. It has the ability to operate from terrain such as mountains, swamps, jungles, or certain places in the Arctic, where other modes of transportation would be difficult or impossible. These characteristics make it indis-

pensable in certain aspects of military operations.

However, despite its proven present value, many years of research and development will be required before the helicopter is perfected and its possibilities effectively realized. Practical budget limitations of the Armed Forces necessarily limit funds which can be expended for research and engineering on helicopter aircraft. It is vital to us that profitable commercial and civil applications be exploited in order that unit costs may be reduced to the lowest possible level.

The Air Force has followed the experiments of the Post Office Department with keen interest. It seems to us that you have been wise in making early application of the potentialities of the helicopter to solve your problem of attaining the world's most efficient air-mail service. You had administered your experiments in a most impressive manner and we feel that you have effectively demonstrated the value of the helicopter to your activity. We believe that it is undoubtedly a most substantial contribution and that in the end it will contribute to the national defense in lending support to our vital aircraft industry.

Sincerely yours,

BRYANT L. BOATNER, •
Brigadier General, United States
Army, Deputy Chief of Air Staff.

OCTOBER 11, 1948.

Hon. JOSEPH J. O'CONNELL,
Chairman, Civil Aeronautics Board,
Washington, D. C.

Re Chicago Helicopter Service Case Docket
No. 2384 et al.

DEAR MR. O'CONNELL: It has come to the attention of the Department of the Air Force that the Chicago Helicopter Service case has been delayed in order to permit the Post Office Department to develop some additional data concerning truck costs. At the time of the hearing in this proceeding held in Chicago in September 1947, the Air Force took an active interest in supporting the development of the helicopter through the issuance of a certificate by the Civil Aeronautics Board. A letter to this effect, dated August 13, 1947, to Frank Delaney, Solicitor, Post Office Department, from Brig. Gen. B. L. Boatner, Deputy Chief of Air Staff, and a letter dated August 25, 1947, to the Postmaster General from Kenneth C. Royall, then Secretary of War, endorsing and adopting General Boatner's letter, were submitted to the Post Office Department. I understand that a copy of each of these letters is in the record as a part of the exhibits submitted by the Post Office Department, but for your convenience, I am enclosing a copy of each of them.

In order that you may have the current position of the Department of the Air Force in this matter, the Department desires to express its active interest in helicopter development from the national defense point of view. In this connection the Department reaffirms the views expressed on behalf of the Department's predecessor, the Army Air Forces, that it is vital to us that commercial and civil development of the helicopter be exploited.

Sincerely yours,

A. S. BARROWS,
Under Secretary of the Air Force.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Chairman, I ask unanimous consent to revise and extend my remarks at this point in the RECORD, and yield my time to the gentleman from Minnesota [Mr. O'HARA].

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

REDUCTIONS IN FEDERAL EXPENDITURES ARE IN ORDER NOW

Mr. REES of Kansas. Mr. Chairman, the bill before us today, amounting to several hundred million dollars, is a part of the huge request of the administration for running the affairs of our Government. It is of course conceded that a tremendous amount of funds is required for the administration of the affairs of our country and the requirements are even greater by reason of the need for increasing and expanding of our national-defense program. The Congress assumes a greater responsibility than ever with respect to the approval or disapproval of the items that come before it for consideration and vote. The President has submitted, and the Bureau of the Budget has approved, requests for appropriations, outside of what is known as contract authorizations, of more than \$75,000,000,000 for the fiscal year 1952. In addition to the \$75,000,000,000, there are requests for several billion dollars more by reason of what is known as authorization bills heretofore approved by Congress.

Approximately one-fourth of the total request is for non-defense expenditure. This does include, however, about 8 percent interest payments on the national debt. When the budget for next year was submitted to Congress the President indicated an increase in taxes of \$16,500,000,000, which, combined with estimates of tax receipts for the fiscal year 1952 of \$55,500,000,000, would balance the budget.

If any success is to be made toward balancing the budget, and paying as we go for defense activities, every dollar saved with respect to non-defense activities means a dollar less required from the taxpayers.

I should also add that Secretary of the Treasury Snyder forecasts an expenditure of not less than \$75,000,000,000 for the next fiscal year. It is appalling and dangerous to contemplate \$25,000,000,000 a year deficits. They have got to be wiped out or at least greatly reduced if we are going to save this country from financial chaos.

It is my view that we can reduce non-defense expenditures without injury to anyone by approximately seven or eight billion dollars.

Very few rivers and harbors and reclamation projects are essential to the defense effort. We ought not to begin any of these projects at the present time. We will do well to complete those already started. One project alone, the St. Lawrence seaway, is estimated to cost \$1,500,000,000, if and when completed. If we will cut our domestic long-term commitments as we should there could be a saving of more than \$3,000,000,000.

We have more people on the Federal payroll right now than we have ever had before, excepting during a very brief period in World War II. The total employment on the Federal payroll, I am in-

formed, has reached a figure of 2,200,000 of which approximately 1,200,000 are in civilian agencies. No agencies should be permitted to employ any more people than they absolutely require, except and until a definite showing of a need is made, and it must be for national defense only. Furthermore, if every agency would cut out activities unnecessary in consideration of the tremendous cost of Government and the need to carry on the defense program, a saving could be made in that field alone of between \$1,500,000,000 and \$2,000,000,000.

We are spending approximately 4,000,000,000 a year for foreign economic aid. We are also spending billions of dollars in military aid in foreign countries. You will be interested in knowing that the President's budget has requested an expenditure of \$10,900,000,000 for foreign military and economic aid and other services. This includes approximately \$4,000,000,000 for ECA. I say we ought to at least cut out the ECA and save the \$4,000,000,000. Not only that, but we can scrutinize the remainder of the expenditure for military aid in foreign countries and make sure it is expended judiciously.

There must be a genuine attempt to cut nonwar activities, including all pork-barrel projects, and there must be no appropriations to initiate new spending projects. As suggested above, when new projects are started, our Government is charged with millions and billions of dollars of proposals that we cannot afford.

You may be interested in knowing that in the present budget approximately \$50,000,000 is requested to start six public-works projects that when completed would cost approximately \$2,000,000,000.

Mr. Speaker, there is no good reason why we should assume the expenditures of the military. After all, Congress is more or less of a guardian of the taxpayers' funds of this country, so we should examine these items from time to time and make sure, as far as we can, that the money is not expended extravagantly.

There is going to be a tremendous amount of pressure for the expenditure of funds in the name of national defense. I will not have time to discuss that matter except for one example, the St. Lawrence seaway, which I have mentioned before, and which has been before Congress for many years. Now, the St. Lawrence seaway is asking for the modest sum of \$4,000,000 and the Inland Waterways Corporation for \$3,000,000, just to start the projects along. There are many others, but I will not have time to discuss them at the present time. What we ought to do is to rescind a number of the public-works projects that have not yet been started and let them stand by until the national and international picture clears up.

Mr. Speaker, the time has passed when Congress should write blank checks to any agency or to the President himself. It is the Congress that ought to scrutinize every piece of legislation and every expenditure. It should be done in the

light of the absolute needs for such expenditures and certainly in consideration of the condition of the Federal Treasury that is already showing a deficit of more than \$250,000,000,000. Congress must assert itself in respect to Federal expenditures. It must cut out "legrolling and pork barrel" procedures. It is the only way by which we are going to save our country from a spiral of inflation that will weaken us beyond control. We have got to put on the brakes and save our country from bankruptcy. We can if we will.

The CHAIRMAN. The chair recognizes the gentleman from Minnesota [Mr. O'HARA] for 6 minutes.

(Mr. O'HARA asked and was given permission to revise and extend his remarks.)

Mr. O'HARA. Mr. Chairman, I have always firmly believed in the rule of the House that we should not attempt to legislate on an appropriation bill. This is about as perfect an example as I have ever seen since I have been a Member of the House of Representatives. This is like operating on a small boil on your hand with a meat ax. Let me call your attention to a few things which would happen. The language in the bill would completely affect the Transportation Act of 1939. It would completely affect the Civil Aeronautics Act of 1938. It would affect in every way that I can conceive of the right of the Postmaster General to control the delivery of mail.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield.

Mr. PRIEST. I understood the gentleman to say that this amendment would do it. He means the language in the bill, does he not?

Mr. O'HARA. Yes; I mean the language in the bill. I thank my good friend, the gentleman from Tennessee.

Mr. Chairman, let us follow the language here which says that the Postmaster General must use the route which he determines to be less costly than other available and equally satisfactory methods. It might be more economical to use an oxcart of the old pony express or some other means of transportation. This language is so broad that the Postmaster General says he is haunted by it and he does not want it. We are being asked to pass in this appropriation bill on a subject which, for example, would come within the jurisdiction of the Committee on Merchant Marine and Fisheries of the House affecting the carriage of mail by steamship. It would affect the carriage of mail by air and the carriage of mail by star routes, or any other means of carrying the mail.

If we leave this language in the bill it is going to completely affect the whole transportation system. Our national defense comes into the picture in the matter of fixing of rates by the ICC. They certainly must take into consideration the tremendously important part that the railroads play, not only in our economic system, but in our national defense. We all recognize that. In the licensing for the transportation

of mail by air by the CAB, what do they have to do? What does that quasi-judicial body, the CAB, have to do? They must take into consideration the public interest, the national defense, and all of the things that enter into the picture. In effect it is not intended that we, let me say to my friend from Virginia, establish a complete monopoly in the larger airlines as opposed to the smaller airlines or the feeder airlines. I do not think there can be any question about that.

The thing to do is to let the proper committees after full hearings determine this matter. Let me say I cannot agree, and I have not had the benefit of any hearings, and my judgment would certainly be snap judgment, that there was a great part of wisdom in one of these developments, the helicopter, or the use of it, in one of these cities. I am convinced that it was a wise thing to do; but on the other hand it has been a tremendously important thing in this aid which has been given by the Post Office Department in the transportation of this mail and the development and the training as I understand of pilots and in the improvement of equipment.

Mr. Chairman, I hope that before we move in anything that is as important as this that we will let the Committee on the Post Office and Civil Service, the Committee on Interstate and Foreign Commerce at least, hold hearings so that we may have the facts before us when we proceed. Let us not proceed blindly.

That is all I have to say, Mr. Chairman. I hope the amendment to strike this from the bill will carry.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. CHATHAM].

(Mr. MANSFIELD, by unanimous consent, yielded the time allotted to him to the gentleman from North Carolina [Mr. CHATHAM].)

Mr. CHATHAM. Mr. Chairman, the reason I oppose this language is that it gives enormous powers to what has normally in my lifetime been the greatest political office in our Government. I will admit that I think the present Postmaster General is a wonderful man who has come up from the ranks, but normally we have not had that type of man as Postmaster General, and under this language giving the Postmaster General complete authority over all types of transportation, I think it would be foolish indeed for us to extend that power. As all of you know, I am rather interested in the development of air transportation.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. CHATHAM. I yield.

Mr. HARRIS. Is it not a fact that there was good reason for the Congress of the United States many years ago to adopt a policy that the Interstate Commerce Commission should set rates insofar as utility services to the people of the United States were concerned? And is it not equally true that there was some good reason that the Congress of the United States adopted a policy that the

Civil Aeronautics Board would have authority to set rates insofar as air transportation is concerned?

Mr. CHATHAM. That has been my understanding.

Mr. HARRIS. And is it not a fact that those policies were adopted after exhaustive hearings before the committees involved? To permit this change as this language here provides in this limitation of authority would by one stroke, without hearings or anything else, change the entire policy that the Congress decided was for the best interests of the people of the country.

Mr. CHATHAM. I agree with the gentleman from Arkansas.

Mr. Chairman, it seems to me that under this language if the Postmaster General wanted to use a donkey and cart in my part of North Carolina he could, for certainly it would be cheaper than any other way I know. If this grant of power is given under the desire to stop the use of helicopters, why not stop the use of helicopters by substantive legislation?

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. CHATHAM. I yield.

Mr. GARY. If a donkey and cart furnishes equally satisfactory service to the other means of transportation is there any reason why we should not use a donkey and cart?

Mr. CHATHAM. I think every reason, sir, because some of the people do not care when they get their mail even in my district. But I feel that even the development of helicopters is most important. About us everywhere we see a world in crisis and helicopters play a very important role. The chairman of the Interstate Subcommittee a few moments ago said this amounted to about \$500,000 for the helicopters that are being asked for this year, but next year it will be more than \$500,000. We speak of \$500,000 as though it were nothing, and granting the Postmaster General powers that I have not seen granted anywhere else and that I do not think have ever been granted, and I do not think they should be granted here. I am for curtailing some of the powers rather than granting more. Instead of spending \$500,000 why not tackle the proposition of trying to save \$500,000,000 by cutting out a lot of these subsidies?

The development of helicopters is important, very important, and if they were to be developed by the military, as the Postmaster General said, it would cost many times as much. The early air-mail policy in World War I developed airplane pilots and great transport pilots; bomber pilots and other pilots were developed in World War II.

These helicopter pilots are rescuing men in Korea today, they are taking out the wounded. I saw a man fall into the Caribbean. A helicopter picked him up 7 miles away and saved his life. I do not care if it cost \$500,000 if it saves lives of American boys. We are developing something for national defense. If they want to limit the amount of money for helicopters, I would be against that,

We are giving the Postmaster General power which I think will change our whole mail system. I certainly am opposed to the pending amendment.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. CHATHAM. I yield to the gentleman from Montana.

Mr. MANSFIELD. Speaking of helicopters, it seems to me I read in the paper recently something to the effect that the Marine Corps has saved something like 1,500 men who were shot down either on land or in the sea around Korea since the start of the fight there last June. Furthermore, getting back to this particular bill, it is my impression, and I wish the gentleman will correct me if I am wrong, that the Army and Navy Air Forces are against this particular provision of the bill?

Mr. CHATHAM. I have been told they are against it. Referring back to the Chairman of the Civil Aeronautics Board he says these helicopter-trained pilots are rescuing wounded soldiers in Korea today.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. PRIEST].

Mr. PRIEST. Mr. Chairman, it is always with a great deal of reluctance that I rise here to oppose any provision suggested by my good friend from Virginia, the chairman of the subcommittee handling this bill. He and his subcommittee have done a very excellent job on this bill.

However, I rise at this time to support the pending amendment which will strike this language from the bill. I am a member of the Committee on Interstate and Foreign Commerce and in my opinion the language is extremely dangerous for the future of our country. As the gentleman from Arkansas and the gentleman from California have said, the Committee on Interstate and Foreign Commerce has studied this matter, is now in the process of studying it further, and will report legislation to this House some time during the current session to do the job that I believe the distinguished gentleman from Virginia hopes to do by this language in the appropriation bill.

I agree with what the gentleman from North Carolina said that this is a very broad grant of authority to one individual at a time when the unwise use of that power might seriously handicap the defense effort of the United States, and might seriously handicap the transportation system of our country. This language does, in my opinion, based on hearings before our own committee, seriously affect the Transportation Act; it seriously affects the Civil Aeronautics Act of 1938 and the Interstate Commerce Act, all without any supporting evidence insofar as detailed hearings and testimony are concerned.

Mr. Chairman, as reluctant as I am to oppose the committee on any of its recommendations, I hope very much that the amendment offered by the distinguished chairman of the Committee on Interstate and Foreign Commerce will

be adopted and that this language may be stricken from the bill.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. CANFIELD].

Mr. CANFIELD. Mr. Chairman, it is rare that I part company with my distinguished chairman, the gentleman from Virginia, who is so able, so honest, and so sincere; however, I did file a minority report on this bill and I desire to read therefrom:

It is improper procedure and it poses a possible threat to our total national interest in time of conflict to employ the use of a legislative rider to an appropriation bill in order to alter the purpose and intent of the Civil Aeronautics Act under the name of economies which are disputable. The rider is directed particularly against helicopter mail service at a time when the House Committee on Interstate and Foreign Commerce again has under consideration a bill to provide for separation of air-mail pay and subsidy.

I invite particular attention to the fact that we had only one witness before us on this very important item and not more than 10 questions were asked of this witness, the Postmaster General of the United States, who incidentally said in part:

If you transfer from the Post Office Department to the Military Department the problem of promoting and advancing commercial aviation as the Post Office Department has since 1918, you would spend far more money of the taxpayers to the military service in supporting that program than you would in the postal service.

He added:

The use of the helicopter has never been better demonstrated than it has in the Korean situation.

Then we had another witness before our subcommittee. That witness was D. W. Rentzel, Chairman of the Civil Aeronautics Board, who is dead set against this rider. I have in my hand a memorandum from him, dated yesterday, asking me to do all I can to head off this ill-considered rider.

May I also point out to you that an application from the New York metropolitan area for helicopter mail and passenger service, supported by the Port Authority of New York, is now pending before the Board and the committee. Our committee has been advised informally that it will probably receive favorable consideration if this rider is stricken out. It involves the use of 10 or 13 helicopters. Highly trained helicopter pilots and facilities would certainly prove a godsend to this prime target area in the event of atomic bomb attacks.

No witnesses from the National Defense Establishment were called before our subcommittee, only the formal testimony of one witness, the Postmaster General of the United States. It is sought in this rider to distort a settled policy of the Congress in the Civil Aeronautics Act of 1938 to keep our planes flying so that they will be prepared for M-day; that is, preparedness with pilots, facilities, and planes.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. PASSMAN].

(Mr. PASSMAN asked and was given permission to revise and extend his remarks.)

[Mr. PASSMAN addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. PASSMAN asked and was given permission to yield the time allotted him to the gentleman from Virginia [Mr. GARY].)

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Chairman, we have been talking a lot the past 2 days about economy. Here is an opportunity to practice it. The statement has been made that the controversial provision in this bill was defeated last year. We did have a similar provision on the floor last year, but there was objection to the language, and consequently we have changed the language in the present bill to conform with the suggestions that were made last year. I do not see how anyone who is in favor of economy can possibly object to the language in this bill.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from New York.

Mr. TABER. I want to say that I do not see how we can afford to adopt this amendment. I believe that the overreaching on the part of the Civil Aeronautics Board has been an abuse that this provision will correct.

Mr. GARY. I thank the gentleman from New York.

Let me read this language:

Notwithstanding any other provision of law, no part of any funds appropriated to the Post Office Department shall hereafter be used for the transportation (within the continental limits of the United States) of mail over any route or by any means which the Postmaster General determines to be more costly—

He must first determine that the route or means is more costly. If, therefore, he accepts any other route, we save money, because the rejected route is more costly.

Further, the provision reads—
than other available and equally satisfactory routes or means.

The Postmaster General must also determine, therefore, that the route or means which he uses is equally satisfactory. How anyone can oppose that language I do not know.

I want to say here that there have been a lot of red herrings drawn across this trail. This language has absolutely no application to railroads. The Postmaster General has the authority under the present law to use railroads or not, as he sees fit.

Insofar as airplane mail is concerned, where people pay additional postage for air mail, it will be carried by air; and insofar as the national defense is concerned, the distinguished chairman of

the Subcommittee on Armed Services, the gentleman from Texas [Mr. MAHON], told me just a few minutes ago that the provision would not affect the national defense because, he said, they are appropriating billions of dollars for the development of the Air Force, and this helicopter service at the various airports would have no effect whatever on the defense program.

Let us see what the Postmaster says about it:

I think a general law to the effect that the Postmaster General had authority to avail himself, or the Department avail itself, of any mode of transportation would be a greater expediter of the mails and probably more economical. I think some such law should be passed. It should be in general terms to authorize the Post Office Department or the Postmaster General, by negotiation with carriers, to transport mail by not only the cheapest method but by the method which gives the best postal service. It might not be cheaper, but it might provide better service.

That is all this provision does.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from New Jersey.

Mr. CANFIELD. I am sure my distinguished chairman will recall the testimony of Mr. Redding, who handles all transportation matters for the Post Office Department. He said this:

I happen to know that the Los Angeles service is now training military pilots in the use of helicopters for the military service. Those pilots are going directly into the service in Korea.

Mr. GARY. If the Armed Forces are going to use some of the helicopters that are now being used in Chicago for the mail service, God save the United States.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Is it not true that there are only nine helicopters in service in both Chicago and Los Angeles? Certainly you could not train very many pilots with nine helicopters.

Mr. GARY. That is correct.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Tennessee.

Mr. PRIEST. It has not been clear to me who would make the determination under this language as to the question of equally satisfactory delivery.

Mr. GARY. The Postmaster General would make the determination. He must determine that the service that is used is equally satisfactory before he can make the change.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from California.

Mr. HINSHAW. I have a statement here that was signed by the former Under Secretary of the Air Force, in answer to the gentleman from Texas, in which he says,

In this connection the Department—

Meaning the Air Force—

reaffirms the views expressed in behalf of the Department's predecessor, the Army Air Force, that it is vital to us that commercial and civil development of the helicopter be exploited.

Mr. GARY. Commercial and civil, but not necessarily mail service.

Mr. HINSHAW. That is commercial and civil; I beg the gentleman's pardon.

The CHAIRMAN. The time of the gentleman from Virginia has expired. All time has expired.

The question is on the amendment offered by the gentleman from Ohio.

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 71, noes 34.

So the amendment was agreed to.

(Mr. HARRIS and Mr. CHATHAM asked and were given permission to revise and extend their remarks.)

The Clerk read as follows:

SEC. 206. This title may be cited as the "Post Office Department Appropriation Act, 1952."

Mr. HALLECK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not want to prolong the work of the Committee this afternoon and would not take this time except to make very sure that the record is clear and that the understanding of the Members is clear.

A question arose as to the use by the Committee on Appropriations of people in the Government agencies to carry on investigations.

The chairman of the committee, the gentleman from Missouri [Mr. CANNON] undertook to predicate his whole defense of his position on the proposition that agents of the FBI were the only persons in the Government so employed.

Let me say first of all, as far as I could understand and discover, no Member who raised any question about the use of any such agents was questioning in any way the great position, the integrity, and the competence of Mr. Hoover, or anyone in the FBI.

Suggestion was made that bureaucrats were employed to check on other bureaucrats. I specifically asked the gentleman from Missouri [Mr. CANNON] if it was not true that he reported twice a year for the Appropriations Committee agents or personnel in other departments of the Government than the FBI so employed by the Committee on Appropriations. His answer and his previous statements were that only agents from the FBI were so employed by the Committee on Appropriations in its investigations.

May I say here and now that he either did not know what was going on in his own committee or what he himself had reported for his committee, or he did not choose to enlighten the members of this committee as to what was going on. One thing is obvious. He was trying to hide behind the skirts of the FBI.

If you will look in the CONGRESSIONAL RECORD of January 25, 1951, you will find there a report from the Committee on Appropriations signed by none other

than the gentleman from Missouri [Mr. CANNON] himself, as chairman of the committee which recites under the requirements of the Reorganization Act, the people so employed by the committee. Significantly it is headed "Investigation Staff." And lo and behold there are two places where men from the FBI are indicated as having been so employed. Then let me read you the list otherwise:

Atomic Energy Commission, Civil Service Commission, Interstate Commerce Commission, Federal Power Commission, Federal Security Agency, Department of Labor, Department of the Navy, Securities and Exchange Commission, the Panama Canal, Veterans' Administration, and the Treasury Department.

When the Committee rises and we are in the House, I am going to ask unanimous consent to include all of that report in the RECORD as part of my remarks. I hope also to have the total figure as to how much actually went to FBI people employed by the Committee on Appropriations and how much went to agents of the Government, employed in other agencies of the Government.

Under leave to extend I now state that the report signed by the gentleman from Missouri [Mr. CANNON] himself on January 14 of this year shows a total of \$10,410.55 paid to personnel of FBI and \$52,537.33 paid to personnel of other agencies of the Government.

In other words, may I say again it is perfectly obvious now that if the chairman of the committee understood and knew what was in the report that he himself filed for the last 6-month period, he would have known when I asked him the question that other agents of other departments of the Government were employed by the Committee on Appropriations on its investigation staff. We knew what was in the report he should have given us the facts clearly and without equivocation.

It is now abundantly clear that the suggestions and representations which were made by the gentleman from New York [Mr. Coudert], and others were in complete accord with what are the facts.

Mr. Chairman, I am thankful for this time in order to clarify the situation.

COMMITTEE ON APPROPRIATIONS (INVESTIGATE STAFF)

JANUARY 15, 1951.

To the CLERK OF THE HOUSE:

The above-mentioned committee or subcommittee, pursuant to section 134 (b) of the Legislative Reorganization Act of 1946, Public Law 601, Seventy-ninth Congress, approved August 2, 1946, as amended, submits the following report showing the name, profession, and total salary of each person employed by it during the 6-month period from July 1, 1950, to December 31, 1950, inclusive, together with total funds authorized or appropriated and expended by it:

Name of employee	Profession	Total gross salary during 6-month period
James J. Maloney.....	Chief investigator.....	\$4,274.76
Frederic D. Vechery....	Investigator.....	4,179.03
Hazel N. Ward.....	Clerk-stenographer....	1,800.24
Anna R. Murabito.....	do.....	1,656.12

Name of employee	Profession	Total gross salary during 6-month period
REIMBURSEMENTS TO GOVERNMENT AGENCIES		
Atomic Energy Commission:		
Albert P. Pollman	Investigator	\$2,725.80
Ned Williams	do	2,250.00
Civil Service Commission:		
John E. Moore	do	3,786.15
George R. Boss	do	2,798.49
Federal Bureau of Investigation:		
James E. Nugent	do	3,996.64
Robert E. Rightmyer	do	3,496.66
Paul G. Travers	do	2,238.47
Interstate Commerce Commission: Alexis P. Bukovsky	do	1,496.14
Federal Power Commission:		
Oscar A. Arnold	do	3,492.30
Arne H. Ronka	do	3,461.50
Federal Security Agency:		
Charles M. Erisman	do	2,100.00
O. Erwin Rice	do	3,702.11
Department of Labor: Charles E. Hutsler	do	1,349.99
Department of the Navy:		
Donald M. Patterson	do	3,465.28
Paul G. Ross	do	3,088.96
Securities and Exchange Commission:		
Michael J. Ladula	do	1,847.32
Joseph Bernstein	do	1,829.21
The Panama Canal: Edwin M. McGinnis	do	3,118.20
Augustus C. Medinger	do	3,461.55
Nelson E. Wise	do	2,561.20
Veterans' Administration:		
Stephen J. Grillo	do	2,784.00
Joe M. Hansman	do	2,855.39
Federal Bureau of Investigation:		
Maurice A. Hickey	Temporary clerical assistant	187.99
Frederick C. Fehl	do	490.79
Federal Security Agency: Irene Bialek	do	97.24
Treasury Department: Frances E. Donovan	do	141.12
Anna Mae Fleishell	do	125.44
Funds authorized or appropriated for committee expenditures		
Amount expended from July 1 to Dec. 31, 1950		\$150,000.00
		96,083.15
Balance unexpended as of Dec. 31, 1950		53,916.85
Payment of bills rendered for prior fiscal period		3,148.77

CLARENCE CANNON,
Chairman.

Mr. ROOSEVELT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

(Mr. ROOSEVELT asked and was given permission to revise and extend his remarks.)

Mr. ROOSEVELT. Mr. Chairman, I would like to call the attention of my colleagues and the people of the United States to a most significant victory for the peoples of the free world in their determination to achieve peace. Yesterday at the sessions of the deputies of the Foreign Ministers in Paris the Russian

delegate, Mr. Gromyko, finally accepted in rather vague terms the proposals of the peoples of the free world that all nations accept international inspection of armaments.

Mr. Chairman, I remember in 1948 when the General Assembly met in Paris the French Delegation proposed international inspection. It was approved by an overwhelming vote by the General Assembly, but was vetoed by the Soviet Union in the Security Council.

I do not claim that this is something to be accepted without careful scrutiny of the sincerity and motives of the Soviet Union, but I do believe that we the people of the United States, the leaders of the free world, must be proud today that we have at least achieved a major victory forcing the Russians to accept this basic premise for peace.

"Why," may some of us ask, "have the Russians finally, after 2 years, accepted international inspection of armaments?" I think for one very simple reason—the force of world public opinion. The needle has burst the balloon of Russian peace propaganda. For any thinking human being or citizen, no matter in what part of the world he may live, could never reconcile Russia's claim that it was for peace and then its refusal to accept international inspection of its armaments.

Mr. Chairman, I would like also to point out that we here in the United States have never been able to hide and have never desired to hide the extent to which this country is under arms. We know just—and all you have to do is pick up the newspaper—we know just how many men we have in our Armed Forces. One need only read our congressional reports and bills to know how many ships are commissioned in the Navy and how many aircraft groups are commissioned in our Air Force. It is impossible to obtain this information from Soviet Russia or any of its satellite nations. But if they sincerely have accepted this great principle of international inspection of armaments for which the free world has been fighting, then a great victory for the cause of peace has been achieved by the free nations and by the western world.

May I add in closing that I hope our State Department will seize upon this achievement and will carry it into every home in every part of the world, to emphasize once again the determination of the people of the United States to achieve an honest, a decent, a just peace for all nations.

The Clerk read as follows:

EXPORT-IMPORT BANK OF WASHINGTON

Not to exceed \$950,000 (to be on an accrual basis) of the funds of the Export-Import Bank of Washington shall be available during the current fiscal year for all administrative expenses of the bank, including not to exceed \$25,000 for temporary services, as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a): *Provided*, That necessary expenses (including special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the bank or in which it has an interest including expenses of collections of pledged

collateral, or the investigation or appraisal of any property in respect to which an application for a loan has been made, shall be considered as nonadministrative expenses for the purposes hereof.

[Mr. CRAWFORD addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. GARY. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SMITH of Virginia, chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3282) making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank of Washington for the fiscal year ending June 30, 1952, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. GARY. Mr. Speaker, I demand a separate vote on two amendments, the amendment offered by the gentleman from Massachusetts [Mr. WIGGLESWORTH], page 14, line 24, and the amendment offered by the gentleman from Ohio [Mr. CROSSER], page 15, lines 12 to 18.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The SPEAKER. The Clerk will report the first amendment on which a separate vote has been demanded.

The Clerk read as follows:

Page 14, line 24, after the word "service", strike out "\$1,845,000,000" and insert "\$1,823,000,000."

The SPEAKER. The question is on the amendment.

Mr. GARY. Mr. Speaker, on that I demand the yeas and nays. The yeas and nays were ordered.

The question was taken; and there were—yeas 136, nays 138, not voting 159, as follows:

[Roll No. 20]

YEAS—136

Abbott	Brehm	Cunningham
Abernethy	Brown, Ohio	Curtis, Mo.
Adair	Budge	Dague
Allen, Calif.	Buffett	Davis, Wis.
Andersen,	Busbey	Denny
H. Carl	Butler	Devereux
Andresen,	Byrnes, Wis.	D'Ewart
August H.	Carlyle	Dolliver
Arends	Case	Dondero
Armstrong	Chatham	Doughton
Auchincloss	Chenoweth	Eaton
Ayres	Chipperfield	Ellsworth
Baker	Church	Fellows
Beall	Clevenger	Fenton
Belcher	Cole, N. Y.	Ford
Bender	Colmer	Gamble
Betts	Cotton	Gathings
Bishop	Coudert	George
Boggs, Del.	Cox	Goodwin
Bramblett	Crawford	Gossett

Graham
Gross
Hale
Halleck
Hand
Harrison, Va.
Herter
Heseltun
Hess
Hillings
Hinshaw
Hoffman, Mich.
Holmes
Hope
Hull
Hunter
Jackson, Calif.
Jensen
Jones,
Woodrow W.
Judd
Kean
Kearney
Kearns
Keating
Kersten, Wis.
Kilburn

LeCompte
Lovre
McConnell
Mack, Wash.
Martin, Iowa
Meador
Merrow
Miller, Md.
Miller, Nebr.
Morton
Nicholson
Norblad
O'Hara
Phillips
Pickett
Potter
Prouty
Rcece, Tenn.
Reed, Ill.
Reed, N. Y.
Rogers, Fla.
Willis
Rogers, Mass.
St. George
Schwabe
Scott,
Hugh D. Jr.
Scudder

Shafer
Short
Simpson, Ill.
Simpson, Pa.
Sittler
Smith, Va.
Taber
Taile
Thompson,
Mich.
Tolliefson
Towe
Van Pelt
Van Zandt
Vaughn
Velde
Vorys
Vursell
Welch
Werdel
Wigglesworth
Willis
Wilson, Tex.
Winstead
Wolcott
Wolverton
Wood, Ga.

NAYS—138

Addonizio
Andrews
Aspinall
Bailey
Bates, Ky.
Battle
Bennett, Fla.
Bentsen
Boggs, La.
Boiling
Breen
Brown, Ga.
Bryson
Burdick
Burleson
Burnside
Burton
Camp
Canfield
Cannon
Carnahan
Ceiler
Chelf
Chudoff
Cooley
Crosier
Davis, Ga.
Denton
Dorn
Doyle
Eberhart
Elliott
Evins
Fallon
Feighan
Fisher
Flood
Fogarty
Forand
Forrester
Frazier
Garmatz
Gary
Granahan
Granger
Grant
Greenwood

Gregory
Hagen
Hall,
Edwin Arthur
Hardy
Harris
Hart
Havener
Hays, Ark.
Hébert
Herlong
Howell
Irving
Jackson, Wash.
James
Javits
Jones, Ala.
Jones,
Hamilton O.
Karsten, Mo.
Keiley, Pa.
Keogh
Kliday
King
Kirwan
Lane
Lanham
Lantaff
Lind
Lucas
McCarthy
McGrath
McGuire
McKinnon
McMillan
Mack, Ill.
Madden
Magee
Mahon
Mansfield
Marshall
Morano
Morgan
Muiter
Murdock
Norrell
O'Brien, Ill.

O'Brien, Mich.
Passman
Patten
Patterson
Perkins
Poage
Polk
Preston
Price
Priest
Quinn
Rabaut
Rains
Ramsay
Rankin
Reams
Ribicoff
Riley
Rivers
Roberts
Robeson
Rodino
Rogers, Colo.
Rogers, Tex.
Rooney
Roosevelt
Sadlak
Sasser
Secret
Seely-Brown
Shelley
Sikes
Smith, Miss.
Spence
Staggers
Steed
Stigler
Teague
Thompson, Tex.
Thornberry
Trimble
Walter
Whitaker
Whitten
Wier
Yates

NOT VOTING—159

Aandahl
Albert
Allen, Ill.
Allen, La.
Anderson, Calif.
Anfuso
Angell
Bakewell
Barden
Barling
Barrett
Bates, Mass.
Beamer
Beckworth
Bennett, Mich.
Berry
Blackney
Blatnik
Bolton
Bonner
Bosone
Bow
Boykin
Bray
Brooks
Brownson
Buchanan

Buckley
Bush
Byrne, N. Y.
Clemente
Cole, Kans.
Combs
Cooper
Corbett
Crumpacker
Curtis, Nebr.
Davis, Tenn.
Dawson
Deane
DeGraffenried
Delaney
Dempsey
Dingell
Dollinger
Donohue
Donovan
Durham
Elston
Engle
Fernandez
Fine
Fugate
Fulton

Furcolo
Gavin
Gillette
Golden
Gordon
Gore
Green
Gwinn
Hall,
Leonard W.
Harden
Harrison, Wyo.
Harvey
Hays, Ohio
Hedrick
Heffernan
Heller
Hill
Hoeven
Hoffman, Ill.
Hollfield
Horan
Jarman
Jenison
Jenkins
Johnson
Jonas

Jones, Mo.
Kee
Kelly, N. Y.
Kennedy
Kerr
Klein
Kluczynski
Larcade
Latham
Lesinski
Lyle
McCormack
McCulloch
McDonough
McGregor
McMullen
McVey
Machrowicz
Martin, Mass.
Mason
Miller, Calif.
Miller, N. Y.
Mills
Mitchell
Morris
Morrison
Moulder

Mumma
Murphy
Murray, Tenn.
Murray, Wis.
Nelson
O'Konski
O'Neill
Ostertag
O'Toole
Patman
Philbin
Poulson
Powell
Radwan
Redden
Rees, Kans.
Regan
Rhodes
Richards
Riehlman
Sabath
Saylor
Scott, Hardie
Scrivner
Sheehan
Sheppard
Sieminski

Smith, Kans.
Smith, Wis.
Springer
Stanley
Stefan
Stockman
Sutton
Tackett
Taylor
Thomas
Vail
Vinson
Welch
Wharton
Wheeler
Wickersham
Widnall
Williams, Miss.
Williams, N. Y.
Wilson, Ind.
Withrow
Wood, Idaho
Woodruff
Yorty
Zablocki

So the amendment was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Elston for, with Mr. Kerr against.
Mr. McGregor for, with Mr. Moulder against.
Mr. Leonard W. Hall for, with Mr. Miller of California against.
Mr. McCulloch for, with Mr. O'Neill against.
Mr. Anderson of California for, with Mr. Machrowicz against.
Mr. Riehlman for, with Mr. Yorty against.
Mr. Miller of New York for, with Mr. O'Toole against.
Mrs. Harden for, with Mr. Buchanan against.
Mr. Rees of Kansas for, with Mr. Furcolo against.
Mr. Fugate for, with Mr. Anfuso against.
Mr. Quinn for, with Mr. Hollfield against.
Mr. Taylor for, with Mr. Combs against.
Mr. Latham for, with Mr. Blatnik against.
Mr. Eaton for, with Mr. Hedrick against.
Mr. Mason for, with Mr. Rhodes against.
Mr. Hoeven for, with Mr. Sieminski against.
Mr. Gillette for, with Mr. Barrett of Pennsylvania against.
Mr. Jenkins for, with Mr. Engle against.
Mr. Ostertag for, with Mr. Fine against.
Mr. Poulson for, with Mr. Dollinger against.
Mr. Sheehan for, with Mr. Donohue against.
Mr. Gavin for, with Mr. Morrison against.
Mr. Smith of Wisconsin for, with Mr. Gordon against.
Mr. Jonas for, with Mr. Zablocki against.
Mr. Hoffman of Illinois for, with Mr. Clemente against.
Mr. Woodruff for, with Mr. Delaney against.
Mr. Allen of Illinois for, with Mr. Klein against.
Mr. Bow for, with Mrs. Kelly of New York against.
Mr. Blackney for, with Mr. Jarman against.
Mr. Jenison for, with Mr. McCormack against.
Mr. Wharton for, with Mr. Heller against.
Mr. Williams of New York for, with Mr. Heffernan against.

Until further notice:

Mr. Jones of Missouri with Mr. Martin of Massachusetts.
Mr. Williams of Mississippi with Mr. Corbett.
Mrs. Bosone with Mr. Fulton.
Mr. Bonner with Mr. Cole of Kansas.
Mr. Boykin with Mr. Harvey.
Mr. Brooks with Mr. Hill.
Mr. Stanley with Mr. Horan.
Mr. Lesinski with Mr. Johnson.
Mr. Fernandez with Mr. Wilson of Indiana.
Mr. Powell with Mr. Widnall.
Mr. Welch with Mr. Stefan.
Mr. Kluczynski with Mr. Smith of Kansas.
Mr. Hays of Ohio with Mr. Scrivner.

Mr. Richards with Mr. Saylor.
Mr. Redden with Mr. Nelson.
Mr. Sutton with Mr. Curtis of Nebraska.
Mr. Tackett with Mr. McDonough.
Mr. Wheeler with Mr. Beamer.
Mr. Mitchell with Mr. McVey.
Mr. Dingeli with Mr. Angell.
Mr. Green with Mrs. Bolton.
Mr. Philbin with Mr. Bennett of Michigan.
Mr. Deane with Mr. Bakewell.

Mr. GATHINGS changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

Page 15, strike out beginning with line 12 down through line 18.

The SPEAKER. The question is on the amendment.

Mr. GARY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The question was taken; and on a division (demanded by Mr. HARRIS and Mr. HINSHAW) there were—yeas 147, nays 56.

Mr. GARY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and thirty-four Members are present, a quorum.

So the amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. GARY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

So the bill was passed.

A motion to reconsider was laid on the table.

Mr. GARY. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Woodruff, its enrolling clerk, announced that the Senate had passed without amendment a joint resolution and concurrent resolution of the House of the following titles:

H. J. Res. 173. Joint resolution to amend and extend the provisions of the District of Columbia Emergency Rent Act, as amended; and

H. Con. Res. 83. Concurrent resolution providing for the adjournment of the House from March 22, 1951, until April 2, 1951.

AUTHORIZING VESSELS OF CANADIAN REGISTRY TO TRANSPORT IRON ORE BETWEEN UNITED STATES PORTS ON THE GREAT LAKES DURING 1951

Mr. HART. Mr. Speaker, I ask unanimous consent for the immediate con-

sideration of the bill (H. R. 2338) authorizing vessels of Canadian registry to transport iron ore between United States ports on the Great Lakes during 1951.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

Mr. AUGUST H. ANDRESEN. Mr. Speaker, reserving the right to object, as I understand, this bill permits the use of Canadian vessels to haul ore.

Mr. HART. That is right.

Mr. AUGUST H. ANDRESEN. There are some of us insisting on having Canadian vessels also haul grain. It is my understanding that an amendment would be offered to this bill so that the Canadian vessels could haul the grain as well as ore.

Mr. HART. That matter was considered, I will say to the gentleman, in committee this morning, and it was decided, because of the essence of time with respect to the carrying of ore, that we would report out a bill dealing with grain later.

Mr. AUGUST H. ANDRESEN. Then there will be other legislation which will permit the use of Canadian vessels to haul grain?

Mr. HART. I am sure there will be, and I am sure it will be done right after the Easter recess. The matter was discussed rather fully this morning, and the only reason grain was not included in the measure now before us was because time was of such essence for the transportation of the ore that it was thought better to introduce a separate bill respecting the transportation of grain.

Mr. AUGUST H. ANDRESEN. I may say to the gentleman that it will be probably 30 days, at least, before the ice is out of the Great Lakes, so there may be ample time to amend this bill. I do not want to oppose this bill, the gentleman understands.

Mr. HART. I understand that, sir, and I appreciate it. But our information was to the effect that the ice would soon be breaking, and transportation would soon begin on the Great Lakes. In fact, it was stated to me informally that they expected transportation to open on March 24, and certainly not later than the middle of April.

Mr. AUGUST H. ANDRESEN. I would like to have the gentleman know and the RECORD show that our storage capacity for grain out through the great Midwest is filled up to the limit. We are not able to get boxcars to ship that grain out of there, and we must use the Great Lakes as much as we can. We need boats to do so, and if the gentleman will bring up this other legislation, which I am sure he or some member of his committee will do, then we may be able to use those Canadian boats to haul the grain because of lack of other facilities.

Mr. HART. I will say that the gentleman from New York [Mr. BUTLER] expressed great interest in the transportation of grain this morning and I gave him the assurance and I give the gentleman the assurance that upon the introduction of a bill there will be no time lost in bringing it up.

Mr. BUTLER. Mr. Speaker, if the gentleman will yield, the bill is already

prepared and I will drop it in the hopper tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, in reason of emergency conditions in transportation on the Great Lakes, notwithstanding the provisions of section 27 of the act of June 5, 1920 (41 Stat. 999), as amended by act of April 11, 1935 (49 Stat. 154), and by act of July 2, 1935 (49 Stat. 442), or the provisions of any other act or regulation, vessels of Canadian registry shall be permitted to transport iron ore between United States ports on the Great Lakes until December 31, 1951, or until such earlier time as the Congress by concurrent resolution or the President by proclamation may designate.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

Mr. HART. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 683) authorizing vessels of Canadian registry to transport iron ore between United States ports on the Great Lakes during 1951. This is identical with the House bill just passed.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, by reason of emergency conditions in transportation on the Great Lakes, notwithstanding the provisions of section 27 of the act of June 5, 1920 (41 Stat. 999), as amended by act of April 11, 1935 (49 Stat. 154), and by act of July 2, 1935 (49 Stat. 442), or the provisions of any other act or regulation, vessels of Canadian registry shall be permitted to transport iron ore between United States ports on the Great Lakes until December 31, 1951, or until such earlier time as the Congress by concurrent resolution or the President by proclamation may designate.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 2338) was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. RIBICOFF. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a letter from the Secretary of State.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

THE McMAHON-RIBICOFF RESOLUTION

Mr. RIBICOFF. Mr. Speaker, a short time ago I introduced House Concurrent Resolution 57 intended to express the peaceful intentions of the United States and the friendship of the American people for all other peoples, and especially for the people of the Soviet Union. Two colleagues, the gentleman from North Carolina [Mr. CHATHAM] and the gentleman from New Jersey [Mr. HOWELL], introduced similar measures in the House. In the other body a similar

resolution was introduced by the senior Senator from Connecticut. [Mr. McMAHON], with the support of 22 distinguished Members of that body. This resolution has come to be known as the McMahon-Ribicoff resolution.

A few days ago an inquiry was sent from the Committee on Foreign Affairs to the Secretary of State asking his views on House Concurrent Resolution 57. He has sent an answer which I believe to be a state paper of high order. It appears at the end of my remarks.

The Committee on Foreign Affairs plans to take this resolution up for action in the near future. In due course it will come before the House. I trust that it will draw overwhelming support so that its important message may be helped to pierce the iron curtain with the utmost effectiveness.

This resolution and the Secretary of State's able explanation of its importance in our national policy concern matters far above the plane of party differences. They lie at the heart of the hopes and intentions which unite us as a people.

Our hope is for peace—a peace based not simply on moral default to the enemies of liberty and reason, but a peace representing a common quest of the things that are good and decent in the world's life. Peace is not just the absence of violence. Peace means influencing the world environment in ways that we honestly believe to be consistent with our duty to ourselves and conducive to the growth of dignity and decency in world affairs, not to their decline.

Our earnest hope is that the men who rule the Soviet Union can be caused to permit an honest statement of our intentions to go through to the peoples under their control. Even without their help, we must use every practical means of getting the truth through the iron curtain.

As rational men, believing in peace, we must miss no chance to get over to the Soviet rulers the idea of their historic opportunity to help in setting the world on a new and hopeful course.

DEPARTMENT OF STATE,
Washington, March 20, 1951.

The Hon. JOHN KEE,
Chairman, Committee on Foreign Affairs,
House of Representatives,
Washington, D. C.

DEAR Mr. KEE: Your letter of March 7, 1951, gives me opportunity to endorse explicitly and emphatically the McMahon-Ribicoff resolution reaffirming the abiding friendship of the American people for all other peoples, including the peoples of the Soviet Union.

I wish to commend the legislative initiative in this vital matter. I hope that it will prove possible to have favorable action completed by the Congress in the near future. I am sending a similar letter to the Chairman of the Committee on Foreign Relations of the United States Senate. Three aspects of the resolution impress me particularly.

The first is the voicing of the American people's fervent, profound desire for peace. The resolution well expresses this as our goal now and ever. After taking note of the "terrible danger to all free peoples" as the circumstance compelling us reluctantly to rearm, the resolution affirms that we "desire neither war with the Soviet Union nor the terrible consequences of such a war." It

82^d CONGRESS
1st SESSION

H. R. 3282

IN THE SENATE OF THE UNITED STATES

MARCH 22 (legislative day, MARCH 16), 1951

Read twice and referred to the Committee on Appropriations

AN ACT

Making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank of Washington for the fiscal year ending June 30, 1952, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 TITLE I—TREASURY DEPARTMENT

4 That the following sums are appropriated, out of any money
5 in the Treasury not otherwise appropriated, for the Treasury
6 Department for the fiscal year ending June 30, 1952,
7 namely:

1 OFFICE OF THE SECRETARY

2 SALARIES AND EXPENSES

3 For necessary expenses in the Office of the Secretary,
4 including the bookbindery; the operation and maintenance of
5 the Treasury Building and Annex thereof; and the purchase
6 of uniforms for elevator operators; \$2,400,000.

7 DAMAGE CLAIMS

8 For payment of claims (except those under the Bureau
9 of Engraving and Printing) pursuant to law (28 U. S. C.
10 2672), \$25,000.

11 BUREAU OF ACCOUNTS

12 SALARIES AND EXPENSES

13 For necessary expenses including contract stenographic
14 reporting services, \$1,850,000: *Provided*, That Federal
15 Reserve banks and branches may be reimbursed for neces-
16 sary expenses incident to the deposit of withheld taxes in
17 Government depositories.

18 SALARIES AND EXPENSES, DIVISION OF DISBURSEMENT

19 For necessary expenses of the Division of Disbursement,
20 \$11,050,000.

21 BUREAU OF THE PUBLIC DEBT

22 ADMINISTERING THE PUBLIC DEBT

23 For necessary expenses connected with any public-debt
24 operations authorized by the Second Liberty Bond Act, as

1 amended (31 U. S. C. 760-762), and with the administra-
2 tion of any public debt or currency issues of the United
3 States with which the Secretary of the Treasury is charged,
4 \$49,000,000, to be expended as the Secretary of the Treas-
5 ury may direct, and the Secretary is authorized to accept
6 services without compensation: *Provided*, That Federal
7 Reserve banks and branches may be reimbursed for
8 expenditures as fiscal agents of the United States on
9 account of public-debt transactions for the account of the
10 Secretary of the Treasury, and advances to the Postmaster
11 General may be made in accordance with the provisions of
12 section 22 (e) of the Second Liberty Bond Act, as amended
13 (31 U. S. C. 757c (e)): *Provided further*, That the in-
14 definite appropriation provided by section 10 of said Act,
15 as amended, shall not be available for obligation during the
16 current fiscal year.

17 OFFICE OF THE TREASURER

18 SALARIES AND EXPENSES

19 For necessary expenses of the Office of the Treasurer,
20 \$20,500,000.

21 CONTINGENT EXPENSES, PUBLIC MONEYS

22 For the collection, safekeeping, transfer, and disburse-
23 ment of the public money and securities of the United
24 States, \$475,000.

1 BUREAU OF CUSTOMS

2 SALARIES AND EXPENSES

3 For expenses necessary for collecting the revenue from
4 customs, enforcement of navigation laws under section 102,
5 Reorganization Plan Numbered III of 1946, and of other
6 laws enforced by the Bureau of Customs, and the detection
7 and prevention of frauds, including not to exceed \$100,000
8 for the securing of information and evidence; transportation
9 and transfer of customs receipts from points where there are
10 no Government depositories; examination of estimates of
11 appropriations in the field; expenses of attendance at meet-
12 ings of organizations concerned with the purposes of this
13 appropriation; purchase of one hundred passenger motor
14 vehicles for replacement only; expenses of seizure, custody,
15 and disposal of property; arms and ammunition; and not to
16 exceed \$1,000,000 for personal services in the District of
17 Columbia exclusive of ten persons from the field force
18 authorized to be detailed under law (19 U. S. C. 1525);
19 \$36,825,000.

20 BUREAU OF INTERNAL REVENUE

21 SALARIES AND EXPENSES

22 For necessary expenses in assessment and collection of
23 internal-revenue taxes; administration of the internal-revenue
24 laws; discharge of functions imposed upon the Commissioner
25 of Internal Revenue by or pursuant to other laws; investiga-

1 tions concerning the enrollment or disbarment of practitioners
2 before the Treasury Department in internal-revenue matters;
3 and acquisition, operation, maintenance, and repair of prop-
4 erty under title III of the Liquor Law Repeal and Enforce-
5 ment Act (40 U. S. C. 304f-m), including expenses, when
6 specifically authorized by the Commissioner, of attendance
7 at meetings of organizations concerned with internal-revenue
8 matters; purchase (not to exceed three hundred for replace-
9 ment only) and hire of passenger motor vehicles; exami-
10 nation of estimates of appropriations in the field; services as
11 authorized by section 15 of the Act of August 2, 1946
12 (5 U. S. C. 55a), and of expert witnesses at such rates as
13 may be determined by the Commissioner of Internal Rev-
14 enue; expenses of seizure, custody, and disposal of property;
15 purchase of chemical analyses and expenses of testimony
16 thereon; ammunition; securing of information and evidence;
17 and not to exceed \$500,000 for detecting and bringing to
18 trial persons guilty of violating the internal-revenue laws or
19 conniving at the same, as authorized by law (26 U. S. C.
20 3792) ; \$252,000,000: *Provided*, That the amount for
21 personal services in the District of Columbia shall not exceed
22 \$17,700,000.

23 ADDITIONAL INCOME TAX ON RAILROADS IN ALASKA

24 For the payment to the Treasurer of Alaska of an
25 amount equal to the tax of 1 per centum collected on the

1 gross annual income of all railroad corporations doing busi-
2 ness in Alaska, on business done in Alaska, which tax is in
3 addition to the normal income tax collected from such cor-
4 porations on net income, the amount of such additional tax
5 to be applicable to general Territorial purposes, \$8,000.

6 BUREAU OF NARCOTICS

7 SALARIES AND EXPENSES

8 For expenses necessary to enforce sections 2550-2565;
9 2567-2571; 2590-2603; 3220-3228; 3230-3238 of the In-
10 ternal Revenue Code; the Narcotic Drugs Import and Export
11 Act, as amended (21 U. S. C. 171-184); the Act of June
12 14, 1930 (5 U. S. C. 282-282c and 21 U. S. C. 197-198)
13 and the Opium Poppy Control Act of 1942 (21 U. S. C.
14 188-188n), including services as authorized by section
15 15 of the Act of August 2, 1946 (5 U. S. C. 55a);
16 purchase of chemical analyses and testimony thereon; ex-
17 penses of seizure, custody, and disposal of property; hire of
18 passenger motor vehicles; arms and ammunition; not to
19 exceed \$10,000 for the collection and dissemination of in-
20 formation and appeal for law observance and law enforce-
21 ment, including cost of printing; securing of information
22 and evidence; and not to exceed \$10,000 for services or

1 information looking toward the apprehension of narcotic law
2 violators who are fugitives from justice; \$2,025,000.

3 BUREAU OF ENGRAVING AND PRINTING

4 For working capital for the Bureau of Engraving and
5 Printing Fund established by the Act of August 4, 1950
6 (Public Law 656), \$3,000,000: *Provided*, That hereafter,
7 in order to foster competition in the manufacture of distinc-
8 tive paper for United States currency and securities, the
9 Secretary of the Treasury is authorized, in his discretion, to
10 split the award for such paper between the two bidders whose
11 prices per pound are the lowest received after advertisement.

12 SECRET SERVICE DIVISION

13 SALARIES AND EXPENSES

14 For expenses necessary in detecting, arresting, and deliv-
15 ering into other custody dealers and pretended dealers in
16 counterfeit money, persons engaged in counterfeiting, forging,
17 and altering United States notes, bonds, national bank notes,
18 Federal Reserve notes, Federal Reserve bank notes, and
19 other obligations and securities of the United States and of
20 foreign governments (including endorsements thereon and
21 assignments thereof), as well as the coins of the United
22 States and of foreign governments, and persons committing

1 other crimes against the laws of the United States relating
2 to the Treasury Department and the several branches of
3 the public service under its control; for the protection of
4 the person of the President, the members of his immediate
5 family, the Vice President, and of the person chosen to be
6 President of the United States; purchase (not to exceed
7 thirty-five for replacement only) and hire of passenger
8 motor vehicles; arms and ammunition; and not to exceed
9 \$20,000, with the approval of the Chief of the Secret Service,
10 for services or information looking toward the apprehension
11 of criminals; \$2,475,000.

12 SALARIES AND EXPENSES, WHITE HOUSE POLICE

13 For necessary expenses, including uniforms and equip-
14 ment, and arms and ammunition, purchases to be made in
15 such manner as the President may determine, \$647,000:
16 *Provided*, That this appropriation shall be available for the
17 employment of additional personnel without regard for the
18 limitation contained in section 2 of the Act of August 15,
19 1950 (Public Law 693).

20 SALARIES AND EXPENSES, GUARD FORCE

21 For necessary expenses of the guard force for Treasury
22 Department buildings in the District of Columbia, and
23 elsewhere, including purchase, repair, and cleaning of uni-
24 forms; and arms and ammunition; \$400,000: *Provided*, That

1 funds may be advanced or reimbursed to this appropriation
2 from the Bureau of Engraving and Printing to cover service
3 rendered such Bureau: *Provided further*, That the Secretary
4 of the Treasury may detail two agents of the Secret Service
5 to supervise such force.

6 BUREAU OF THE MINT

7 SALARIES AND EXPENSES

8 For necessary expenses at the mints at Philadelphia,
9 Pennsylvania, San Francisco, California, and Denver, Col-
10 orado; the assay offices at New York, New York, and
11 Seattle, Washington; the bullion depositories at Fort Knox,
12 Kentucky, and West Point, New York; and the Office of
13 the Director of the Mint, and for carrying out the provisions
14 of the Gold Reserve Act of 1934 and the Silver Purchase
15 Act of 1934, including arms and ammunition, purchase and
16 maintenance of uniforms and accessories for guards, purchase
17 of one passenger motor vehicle (for replacement only), cases
18 and enameling for medals manufactured, loss on sale of
19 sweeps arising from the treatment of bullion and the manu-
20 facture of coins, not to exceed \$1,000 for the expenses of
21 the annual assay commission, and not to exceed \$1,000
22 for acquisition, at the dollar face amount or otherwise, of
23 specimen and rare coins, including United States and foreign

1 gold coins and pieces of gold used as, or in lieu of, money,
2 and ores for addition to the Government's collection;
3 \$4,300,000.

4 COAST GUARD

5 OPERATING EXPENSES

6 For expenses necessary for the operation and mainte-
7 nance of the Coast Guard, not otherwise provided for,
8 including pay and allowances, as authorized by law, for
9 commissioned officers, cadets, warrant officers, and enlisted
10 personnel, on active duty; services as authorized by section
11 15 of the Act of August 2, 1946 (5 U. S. C. 55a); pur-
12 chase of not to exceed thirty-one passenger motor vehicles
13 for replacement only; maintenance, operation, and repair
14 of aircraft; not to exceed \$280,000 for recreation, amuse-
15 ment, comfort, and contentment of enlisted personnel of
16 the Coast Guard, to be expended pursuant to regulations
17 prescribed by the Secretary; and examination of estimates
18 of appropriations in the field; \$162,700,000: *Provided*, That
19 the number of aircraft on hand at any one time shall not
20 exceed one hundred and thirteen exclusive of planes and parts
21 stored to meet future attrition: *Provided further*, That
22 no part of this appropriation shall be used to pay any en-
23 listed man of the Coast Guard while detailed for duty at
24 Coast Guard headquarters if such detail increases above
25 fifty-five the total number of enlisted men so detailed to

1 duty at such time: *Provided further*, That (a) the unob-
2 ligated balance of appropriation to the Coast Guard for the
3 fiscal year 1951 for "Operating expenses" shall be trans-
4 ferred on July 1, 1951, to the account established by the
5 Surplus Fund-Certified Claims Act of 1949 for payment of
6 certified claims; (b) amounts equal to the unliquidated ob-
7 ligations on July 1, 1951, against the appropriation "Operat-
8 ing expenses", fiscal year 1951, and the appropriations to
9 the Coast Guard for the fiscal year 1950 which were merged
10 therewith pursuant to the Treasury Department Appropria-
11 tion Act, 1951, shall be transferred to and merged with this
12 appropriation, and such merged appropriation shall be avail-
13 able as one fund, except for accounting purposes of the Coast
14 Guard, for the payment of obligations properly incurred
15 against such prior year appropriations and against this ap-
16 propriation, but on July 1, 1952, there shall be transferred
17 from such merged appropriation to the appropriation for
18 payment of certified claims (1) any remaining unexpended
19 balance of the 1950 appropriations so transferred, and (2)
20 any remaining unexpended balance of the 1951 appropria-
21 tion so transferred which is in excess of the obligations then
22 remaining unliquidated against such appropriation.

23 ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

24 For establishing and improving aids to navigation; the
25 purchase or construction of additional and replacement

1 vessels and their equipment; the purchase of aircraft and
2 their equipment; the construction, rebuilding, or extension
3 of shore facilities, including the acquisition of sites and im-
4 provements thereon when specifically approved by the
5 Secretary; and for expenditures directly relating thereto,
6 including personal services; \$15,000,000, to remain avail-
7 able until expended.

8 RETIRED PAY

9 For retired pay for commissioned officers, warrant
10 officers, and enlisted personnel; for certain members of the
11 former Life Saving Service authorized by law (14 U. S. C.
12 431b); and for certain officers and employees entitled
13 thereto by virtue of former employment in the Lighthouse
14 Service engaged in the field service or on vessels of the
15 Coast Guard (33 U. S. C. 763, 765); including the payment
16 of obligations therefor incurred during prior fiscal years;
17 \$16,647,000.

18 RESERVE TRAINING

19 For all necessary expenses for the Coast Guard Reserve,
20 as authorized by law (14 U. S. C. 751-762; 37 U. S. C.
21 231-319), including expenses for regular personnel, or re-
22 serve personnel while on active duty, engaged primarily in
23 administration of the reserve program; purchase of not to
24 exceed eleven passenger motor vehicles; and the maintenance,
25 operation, and repair of aircraft; \$2,000,000.

1 SEC. 102. This title may be cited as the "Treasury De-
2 partment Appropriation Act, 1952".

3 TITLE II—POST OFFICE DEPARTMENT

4 For administration and operation of the Post Office
5 Department and the postal service, there is hereby appro-
6 priated the aggregate amount of postal revenues for the
7 fiscal year ending June 30, 1952, as authorized by law
8 (5 U. S. C. 380; 39 U. S. C. 786), together with an
9 amount from any money in the Treasury not otherwise
10 appropriated, equal to the difference between such revenues
11 and the total of the appropriations hereinafter specified and
12 the sum needed may be advanced to the Post Office Depart-
13 ment upon requisition of the Postmaster General, for the
14 following purposes, namely:

15 GENERAL ADMINISTRATION

16 For expenses necessary for general administration of the
17 postal service, operation of the inspection service, and the
18 conduct of a research and development program, including
19 services as authorized by section 15 of the Act of
20 August 2, 1946 (5 U. S. C. 55a); \$250,000 to be
21 available exclusively for procurement by contract of things
22 and services related to design, development, and construction
23 of equipment used in postal operations, and for contracts for
24 management studies; rewards for information and services
25 concerning violations of postal laws and regulations, current

1 and prior fiscal years, in accordance with regulations of the
2 Postmaster General in effect at the time the services are
3 rendered or information furnished; purchase of one passenger
4 motor vehicle (for replacement only) at not to exceed
5 \$4,500; and expenses of delegates designated by the Post-
6 master General to attend meetings and conventions for the
7 purpose of making postal arrangements with foreign govern-
8 ments pursuant to law and the expenses of delegates pro-
9 vided for herein and not to exceed \$20,000 for rewards,
10 as provided for herein, shall be paid in the discretion of
11 the Postmaster General and accounted for solely on his
12 certificate; \$20,000,000.

13 POSTAL OPERATIONS

14 For expenses necessary for postal operations, not other-
15 wise provided for, and for other activities conducted by the
16 Post Office Department pursuant to law, including \$500,000
17 to be available exclusively for manufacture and procurement
18 of improved devices for postal operations and other activities;
19 \$11,579,000 to be available exclusively for the purchase of
20 trucks, tractors, and trailers; and storage and repair of
21 vehicles owned by, or under control of, units of the National
22 Guard and departments and agencies of the Federal Govern-
23 ment where repairs are made necessary because of utilization
24 of such vehicles in the postal service; \$1,845,000,000: *Pro-*
25 *vided*, That during the current fiscal year the inventory of

1 trucks, tractors, and trailers of the Post Office Department
2 shall not exceed seventeen thousand five hundred such
3 vehicles at any time.

4 TRANSPORTATION OF MAILS

5 For payments, current and prior fiscal years, for trans-
6 portation of domestic and foreign mails by air, land, and
7 water transportation facilities, settlements with foreign
8 countries for handling of mail; and for expenses, exclusive of
9 personal services, necessary for operation of Government-
10 owned highway post office transportation service;
11 \$465,000,000.

12 CLAIMS

13 For settlement of claims, pursuant to law, current and
14 prior fiscal years, for damages (28 U. S. C. 2672; 31
15 U. S. C. 224c) ; losses resulting from unavoidable casualty
16 (39 U. S. C. 49) ; loss of or damage to mail, and failure to
17 remit collect-on-delivery charges (5 U. S. C. 372; 39
18 U. S. C. 244, 245a, 245b, 245d, 381, 382, 387) ; and
19 domestic money orders more than one year old (31 U. S. C.
20 725k) ; \$5,500,000.

21 GENERAL PROVISIONS

22 SEC. 202. Appropriations made in this title for general
23 administration and for postal operations shall be available
24 for examination of estimates of appropriations in the field.

25 SEC. 203. Appropriations made in this title, except

1 those for payment of claims, shall be available for expendi-
2 tures in connection with accident prevention.

3 SEC. 204. Appropriations made in this title available
4 for expenses of travel shall be available, under regulations
5 prescribed by the Postmaster General, for expenses of at-
6 tendance at meetings of technical, scientific, professional, or
7 other similar organizations concerned with the function or
8 activity for which the appropriation concerned is made.

9 SEC. 205. The Postmaster General may authorize the
10 sale of post route and rural delivery maps, opinions of the
11 Solicitor, and transcripts of hearings before trial examiners
12 at such rates as he determines to be fair and reasonable.

13 SEC. 206. This title may be cited as the "Post Office
14 Department Appropriation Act, 1952".

15 TITLE III—GOVERNMENT CORPORATIONS

16 The following corporation is hereby authorized to make
17 such expenditures, within the limits of funds and borrowing
18 authority available to such corporation, and in accord with
19 law, and to make such contracts and commitments without
20 regard to fiscal year limitations as provided by section 104
21 of the Government Corporation Control Act, as amended, as
22 may be necessary in carrying out the programs set forth in
23 the Budget for the fiscal year 1952 for such corporation,
24 except as hereinafter provided:

1 EXPORT-IMPORT BANK OF WASHINGTON

2 Not to exceed \$950,000 (to be on an accrual basis)
3 of the funds of the Export-Import Bank of Washington shall
4 be available during the current fiscal year for all administra-
5 tive expenses of the bank, including not to exceed \$25,000
6 for temporary services, as authorized by section 15 of the
7 Act of August 2, 1946 (5 U. S. C. 55a) : *Provided*, That
8 necessary expenses (including special services performed
9 on a contract or fee basis, but not including other per-
10 sonal services) in connection with the acquisition, opera-
11 tion, maintenance, improvement, or disposition of any real
12 or personal property belonging to the bank or in which
13 it has an interest including expenses of collections of pledged
14 collateral, or the investigation or appraisal of any property
15 in respect to which an application for a loan has been made,
16 shall be considered as nonadministrative expenses for the
17 purposes hereof.

18 SEC. 302. This title may be cited as the "Export-
19 Import Bank of Washington Appropriation Act, 1952".

20 TITLE IV—GENERAL PROVISIONS

21 SEC. 401. No part of any appropriation contained in
22 this Act, or of the funds available for expenditure by any cor-
23 poration included in this Act, shall be used to pay the salary
24 or wages of any person who engages in a strike against the

1 Government of the United States or who is a member of an
2 organization of Government employees that asserts the right
3 to strike against the Government of the United States, or who
4 advocates, or is a member of an organization that advocates,
5 the overthrow of the Government of the United States by
6 force or violence: *Provided*, That for the purposes hereof an
7 affidavit shall be considered prima facie evidence that the
8 person making the affidavit has not contrary to the provisions
9 of this section engaged in a strike against the Government of
10 the United States, is not a member of an organization of
11 Government employees that asserts the right to strike against
12 the Government of the United States, or that such person
13 does not advocate, and is not a member of an organization
14 that advocates, the overthrow of the Government of the
15 United States by force or violence: *Provided further*, That
16 any person who engages in a strike against the Government
17 of the United States or who is a member of an organization
18 of Government employees that asserts the right to strike
19 against the Government of the United States, or who advo-
20 cates, or who is a member of an organization that advocates,
21 the overthrow of the Government of the United States by
22 force or violence and accepts employment the salary or
23 wages for which are paid from any appropriation or fund
24 contained in this Act shall be guilty of a felony and, upon
25 conviction, shall be fined not more than \$1,000 or imprisoned

1 for not more than one year, or both: *Provided further*, That
2 the above penalty clause shall be in addition to, and not in
3 substitution for, any other provisions of existing law.

4 SEC. 402. This Act may be cited as the "Treasury and
5 Post Office Departments Appropriation Act, 1952".

Passed the House of Representatives March 21, 1951.

Attest:

RALPH R. ROBERTS,

Clerk.

AN ACT

Making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank of Washington for the fiscal year ending June 30, 1952, and for other purposes.

MARCH 22 (legislative day, MARCH 16), 1951

Read twice and referred to the Committee on
Appropriations

TREASURY AND POST OFFICE DEPARTMENTS
APPROPRIATION BILL, FISCAL YEAR 1952

JULY 18 (legislative day, JUNE 27), 1951.—Ordered to be printed

Mr. KILGORE, from the Committee on Appropriations, submitted the
following

REPORT

[To accompany H. R. 3282]

The Committee on Appropriations, to whom was referred the bill (H. R. 3282) making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank for the fiscal year ending June 30, 1952, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made.

Amount of bill as passed House	\$2, 918, 827, 000
Increased by Senate (net)	18, 867, 647
Amount of bill as reported to Senate	2, 937, 694, 647
Amount of regular and supplemental estimates for 1952	2, 958, 425, 000
Amount of appropriations for 1951	2, 833, 578, 200
The bill as reported to Senate:	
Exceeds the appropriations for 1951	104, 116, 447
Under the estimates for 1952	20, 730, 353

Treasury Department bill, title I:

Amount as passed House-----	\$583,327,000
Amount of increase by Senate (net)-----	9,967,647
Amount of bill as reported to Senate-----	593,294,647
Amount of regular and supplemental estimates for 1952-----	597,251,000
Amount of appropriations for 1951-----	580,978,200
The bill as reported to the Senate:	
Under the estimates for 1952-----	3,956,353
Exceeds the appropriations for 1951-----	12,316,447

Post Office bill, title II:

Amount as passed House-----	2,335,500,000
Amount of increase by Senate-----	8,900,000
Amount of bill as reported to Senate-----	2,344,400,000
Amount of regular estimates for 1952-----	2,361,174,000
Amount of appropriations for 1951-----	2,252,600,000
The bill as reported to the Senate:	
Under the estimates for 1952-----	16,774,000
Exceeds the appropriations for 1951-----	91,800,000

GENERAL STATEMENT

The bill provides \$2,937,694,647 for the 1952 regular annual appropriations of the Treasury and Post Office Departments. Of this amount the committee has approved \$593,294,647 for the Treasury Department and \$2,344,400,000 for the Post Office Department. The over-all allowance is \$20,730,353 under the 1952 budget estimates, exceeds the House allowance by \$18,867,647, and exceeds the 1951 total adjusted appropriations by \$104,116,447.

The committee has approved the House allowance of \$950,000, which is \$15,000 under the 1952 estimates and 1951 authorization, for the Export-Import Bank of Washington to use its corporate funds for administrative expenses in the fiscal year 1952.

Of the \$2,937,694,647 total sum recommended in the bill, \$1,098,194,647 is payable from general funds of the Treasury (\$593,294,647 for operating expenses of the Treasury Department and \$504,900,000 to cover the 1952 deficiency in postal revenues) and the balance, or \$1,839,500,000 is payable from the postal revenue account. This

latter sum is the 1952 estimate of available revenue under existing legislation. Additional revenue in 1952 of \$75 million is anticipated from the Interstate Commerce Commission's recent approval of the Postmaster General's petition for a reformation of rates on fourth-class mail effective October 1, 1951. Likewise additional revenue may be derived if Congress approves rate increases on low-revenue producing classes of mail and fees on special service transactions.

Permanent indefinite appropriations of the Treasury Department are not carried in the bill. The 1952 estimate in this category is \$5,823,962,482, an increase of \$172,678,350 over the 1951 total of \$5,651,284,132 for general and special funds. Included in this classification is the estimate of \$5,800,000,000 for payment of interest on the public debt, as compared to the 1951 estimate of \$5,625,000,000. Also not reflected in the bill is the 1952 estimate of \$5,619,937,490 for trust funds, which is an increase of \$966,969,011 over the 1951 total of \$4,652,968,479. The major item in this classification is the 1952 estimate of \$4,139,894,000 for the Federal old-age and survivors insurance trust fund, or an increase of \$877,010,867 over the 1951 figure of \$3,262,883,133. A summary of the 1952 estimates for permanent indefinite appropriations payable from the three funds appears in a table at the end of this report.

TREASURY DEPARTMENT

The committee recommends approval of \$593,294,647 for 1952 operating expenses of the various bureaus and offices within the Treasury Department. This sum is \$9,967,647 over the House allowance, \$3,956,353 under the 1952 estimates, and \$12,316,447 in excess of the 1951 adjusted appropriations. Most of the additional funds allowed are for personal services required in activities where the workload has been expanded because of the national defense program, the amendments to the Social Security Act and, the collecting of revenue. To illustrate, the committee recommends restoration of \$3,000,000 for the Bureau of Internal Revenue; \$2,993,704 for the Bureau of the public debt; \$1,124,700 for the Bureau of Customs; \$725,000 for the Bureau of Accounts, Division of Disbursements; and \$665,800 for the Bureau of the Mint.

The committee also recommends application of the 5 percent personal service limitation to the following items: Office of the Secretary, salaries and expenses; Bureau of the Public Debt; Office of the Treasurer, salaries and expenses; Bureau of the Mint, salaries and expenses.

The Department is a service activity and as such about 70 percent of its operating costs are for personal services (55 percent for civilian and 15 percent for military personnel).

POST OFFICE DEPARTMENT

The committee recommends approval of \$2,344,400,000 for 1952 operating expenses of the Post Office Department. This sum, distributed under four appropriations, is \$8,900,000 over the House bill, \$16,774,000 under the 1952 estimates, and \$91,800,000 over the 1951 appropriations. The total amount provided is believed sufficient to cover the estimated costs of operations based on the present mail volume. Of the \$8,900,000 increase recommended over the House allowance, the sum of \$7,100,000 is for postal operations, \$1,000,000 is

for transportation of mails, and \$800,000 for general administration. In this latter amount, the committee has allowed \$300,000 for the rental of accounting machines as requested in supplemental estimate, Senate Document 18, and the balance, or \$500,000, is for the employment of not less than 80 of the 200 agents requested in the regular estimates submitted. Testimony presented to the committee indicates a huge backlog of work in the inspection service and that savings of funds and improvement of service will result if additional inspectors are provided, especially for the management improvement program. As does the House, the committee recognizes the need for additional personnel in this field and has accordingly approved the increase which is 40 percent of the number requested. The committee has, however, effected a reduction in personal services of 10 percent, exclusive of personal service estimates, for the inspection service and the Bureau of Accounts.

The Department is also a service activity, and as such about 70 percent of its operating costs are for personal services.

INCREASES AND LIMITATIONS

The changes recommended by the committee in the amounts of the House bill are as follows:

TITLE I—TREASURY DEPARTMENT

OFFICE OF THE SECRETARY:

Salaries and expenses	\$165, 278
-----------------------------	------------

The committee recommends an appropriation of \$2,565,278, of which not to exceed \$2,255,712 shall be available for personal services. The committee figure on personal services represents a 5-percent reduction in the budget estimates and about 29 of the 551 average positions as compared to a decrease of 68 under the House allowance. The amount recommended by the committee is an increase of \$165,278 over the House bill and a reduction of \$118,722 in the budget estimates. The committee has denied funds for salaries of three of the seven chauffeurs serving officials in the Treasury Building.

BUREAU OF ACCOUNTS:

Salaries and expenses	200, 000
-----------------------------	----------

The committee recommends an appropriation of \$2,050,000, an increase of \$200,000 in the House bill but a decrease of \$45,000 in the budget estimates. The proviso in this paragraph has been amended as indicated:

Provided, That Federal Reserve banks and branches may be reimbursed for necessary expenses incident to the deposit of withheld taxes in Government depositories

The amendment is recommended to permit reimbursement to the Federal Reserve banks for expenses incurred in the special handling of installment corporation income and excess profits tax as provided by Section 205 of the Revenue Act of 1950.

Salaries and expenses, Division of Disbursement	725, 000
---	----------

The committee recommends an appropriation of \$11,775,000, an increase of \$725,000 in the House bill and a decrease of \$225,000 in the budget estimates.

BUREAU OF THE PUBLIC DEBT:

Administering the public debt-----	\$2, 993, 704
------------------------------------	---------------

The committee recommends an appropriation of \$51,993,704, of which not to exceed \$17,219,616 shall be available for personal services. The committee figure on personal services is 5 percent below the budget estimate and is a decrease of about 355 of the 5,430 average positions as compared to a decrease of 400 under the House allowance. The amount recommended represents an increase of \$2,993,704 over the House bill and a reduction of \$906,296 in the budget estimates.

OFFICE OF THE TREASURER:

Salaries and expenses-----	368, 165
----------------------------	----------

The committee recommends an appropriation of \$20,868,165, an increase of \$368,165 in the House bill and a reduction of \$231,835 in the budget estimates. The committee recommends that not to exceed \$4,404,868 of this appropriation be available for personal services, a reduction amounting to 5 percent of the budget estimate and a decrease of about 90 of the 1,421 average positions as compared to a decrease of 200 positions under the House allowance.

Contingent expenses, public moneys-----	25, 000
---	---------

The committee recommends an appropriation of \$500,000 an increase of \$25,000 in the House bill and the full amount of the budget estimate. Testimony presented to the committee shows that the major cost under this appropriation involves transportation of coins and currency, an uncontrollable item which has required many deficiencies in the past ten years.

BUREAU OF CUSTOMS:

Salaries and expenses-----	1, 124, 700
----------------------------	-------------

The committee recommends an appropriation of \$37,949,700, an increase of \$1,124,700 in the House bill and a reduction of \$350,300 in the budget estimates. The committee also recommends that the amount available for personal services in the District of Columbia be increased from \$1,000,000 to \$1,086,930. The total amount allowed is sufficient to continue the 1951 authorized staff and other obligations through fiscal year 1952, but does not provide funds to finance the 109 additional positions requested in 1952.

BUREAU OF INTERNAL REVENUE:

Salaries and expenses-----	\$3, 000, 000
----------------------------	---------------

The committee recommends an appropriation of \$255,000,000 an increase of \$3,000,000 in the House bill and a reduction of \$500,000 in the budget estimates. The additional sum reduces from 850 to about 120 the number of positions that would have been eliminated in the Division administering the Social Security Act amendments under the House allowance. The committee concurs in the action of the House in approving the purchase of 300 passenger motor vehicles for replacement only. The Bureau advised the committee that in addition to the 300 replacement mentioned, it was anticipated that they would secure 108 additional automobiles from seizures. The committee does not approve of this Bureau expanding its fleet of automobiles by this number at this time and has accordingly placed a limitation in the bill fixing the number of additional cars that can be used that are secured through seizure at 20. Automobiles in addition to the 20 the Bureau will use which are seized may be disposed of according to law.

BUREAU OF NARCOTICS:

Salaries and expenses-----	75, 000
----------------------------	---------

The committee recommends an appropriation of \$2,100,000 an increase of \$75,000 in the House bill and the full amount of the budget estimate. The additional sum will permit employment of the 30 additional agents, instead of 20 as provided by the House, that are urgently needed to cope with the increase in illicit narcotic traffic.

BUREAU OF ENGRAVING AND PRINTING:

Working capital-----	500, 000
----------------------	----------

The committee recommends an appropriation of \$3,500,000, an increase of \$500,000 in the House bill and a reduction of \$300,000 in the budget estimate. The additional sum is needed to meet current operating expenses.

SECRET SERVICE DIVISION:

Salaries and expenses-----	75, 000
----------------------------	---------

The committee recommends an appropriation of \$2,550,000, an increase of \$75,000 in the House bill and a decrease of \$50,000 in the budget estimate. The additional sum is sufficient to cover the costs of 15 of the 25 new agents requested, and essential radio equipment.

Salaries and expenses, guard force-----	50, 000
---	---------

The committee recommends an appropriation of \$450,000, an increase of \$50,000 in the House bill and the full amount of the budget estimate. The additional sum allows retention of the 138 average positions which would have been reduced by 20 under the House allowance.

BUREAU OF THE MINT:

Salaries and expenses-----	\$665, 800
----------------------------	------------

The committee recommends an appropriation of \$4,965,800, an increase of \$665,800 over the House bill and a reduction of \$224,200 in the budget estimate. The committee recommends that not to exceed \$4,259,800 of this appropriation be available for personal services, which amount represents a reduction of 5 percent in the budget estimate, and a decrease of about 67 of the 1,195 average positions as compared to a decrease of 229 positions under the House allowance.

COAST GUARD:

Acquisition, construction, and improvements----	500, 000
---	----------

The committee recommends an appropriation of \$15,500,000, an increase of \$500,000 in the House bill and a reduction of \$500,000 in the budget estimate. The increase is to replace Diesel engines in tenders and other miscellaneous items of high priority.

Total increases, Treasury Department-----	10, 467, 647
---	--------------

TITLE II—POST OFFICE DEPARTMENT

GENERAL ADMINISTRATION-----	800, 000
-----------------------------	----------

The committee recommends an appropriation of \$20,-800,000, an increase of \$800,000 in the House bill and a reduction of \$724,000 in the budget estimates. This increase includes \$300,000 submitted in S. Doc. 18, for accounting machines; and the remainder is for not less than 80 additional inspectors.

POSTAL OPERATIONS-----	7, 100, 000
------------------------	-------------

The committee recommends an appropriation of \$1,-852,100,000, an increase of \$7,100,000 in the House bill and a reduction of \$14,204,000 in the budget estimate.

TRANSPORTATION OF MAILS-----	1, 000, 000
------------------------------	-------------

The committee recommends an appropriation of \$466,-000,000, an increase of \$1,000,000 in the House bill and a reduction of \$1,539,000 in the budget estimate.

GENERAL PROVISIONS:

The committee recommends that the following section be deleted from the bill:

SEC. 205. The Postmaster General may authorize the sale of post route and rural delivery maps, opinions of the Solicitor, and transcripts of hearings before trial examiners at such rates as he determines to be fair and reasonable.

The authority in this section is now contained in Public Law 27, approved May 8, 1951.

Total increases, Post Office Department-----	8, 900, 000
--	-------------

DECREASES AND LIMITATIONS

TITLE I—TREASURY DEPARTMENT

COAST GUARD:

Reserve training-----	\$500, 000
-----------------------	------------

The committee recommends an appropriation of \$1,500,000, a reduction of \$500,000 in the House bill and the budget estimate but an increase of \$500,000 over the 1951 appropriation. It is believed the allowance is sufficient to enable a normal expansion of the reserve training program. The committee also recommends that language approved by the House authorizing the purchase of eleven passenger motor vehicles be stricken from the bill.

TITLE IV—GENERAL PROVISIONS

SECTION 402

The committee recommends that the following new section be added to the bill:

Sec. 402. No part of the money appropriated by this Act or of the funds made available for expenditure by the Export-Import Bank of Washington which is in excess of 75 per centum of the amount required to pay the compensation of all persons the budget estimates for personal services heretofore submitted to the Congress for the fiscal year 1952 contemplated would be employed by the Treasury and Post Office Departments and the Export-Import Bank of Washington during such fiscal year in the performance of—

(1) functions performed by a person designated as an information specialist, information and editorial specialist, publications and information coordinator, press relations officer or counsel, photographer, radio expert, television expert, motion-picture expert, or publicity expert, or designated by any similar title, or

(2) functions performed by persons who assist persons performing the functions described in (1) in drafting, preparing, editing, typing, duplicating, or disseminating public information publications or releases, radio or television scripts, magazine articles, photographs, motion pictures, and similar material, shall be available to pay the compensation of persons performing the functions described in (1) or (2).

RECAPITULATION

Total increases:

Treasury Department-----	\$10, 467, 647
Post Office Department-----	8, 900, 000
Grand total increases-----	19, 367, 647
Total decrease: Treasury Department-----	500, 000
Net increase-----	18, 867, 647
Amount of bill as passed House-----	2, 918, 827, 000
Amount of bill as reported to Senate-----	2, 937, 694, 647

COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1951 AND THE ESTIMATES FOR 1952 PERMANENT INDEFINITE APPROPRIATIONS—TREASURY DEPARTMENT

TREASURY AND POST OFFICE APPROPRIATIONS, 1952

9

Object	Appropriations, 1951	Estimates, 1952	Increase (+) or decrease (—)
General and special funds:			
Educational exchange fund.....	\$410, 672	\$396, 179	—\$14, 493
Loans to railroads after termination of Federal control.....	453, 957	454, 000	+43
Replacement of personal property sold—Treasury Department.....	100, 000	100, 000	-----
Pershing Hall memorial fund.....	4, 978	4, 978	-----
Permanent private relief acts.....	1, 620	1, 620	-----
Interest on uninvested trust funds.....	7, 207, 905	4, 900, 705	—2, 307, 200
Refund of moneys erroneously received and covered.....	2, 000, 000	2, 000, 000	-----
Refunds and draw-backs, customs.....	16, 000, 000	16, 000, 000	-----
Contributions for annuity benefits, White House Police and Secret Service Forces.....	105, 000	105, 000	-----
Interest on the public debt.....	5, 625, 000, 000	5, 800, 000, 000	+175, 000, 000
Total, general and special funds.....	5, 651, 284, 132	5, 823, 962, 482	+172, 678, 350
Trust funds (not a charge against revenue):			
Federal old-age and survivors insurance trust fund.....	3, 262, 853, 133	4, 139, 894, 000	+877, 010, 867
Unemployment trust fund.....	1, 389, 806, 046	1, 479, 748, 290	+89, 942, 244
Losses in melting gold.....	600	600	-----
Miscellaneous trust accounts.....	175, 000	170, 000	—5, 000
Expenses, Prohibition Act, Puerto Rico and Virgin Islands.....	97, 500	118, 400	+20, 900
Puerto Rico trust fund.....	6, 200	6, 200	-----
Total, trust funds.....	4, 652, 968, 479	5, 619, 937, 490	+966, 969, 011

ADMINISTRATIVE EXPENSES OF GOVERNMENT CORPORATIONS

[Limitations on amounts of corporate funds to be expended]

	Authorizations, 1951	Estimates, 1952	House bill for 1952	Amount recommended by Senate	Increase (+) or decrease (-) Senate bill compared with—		
					Authorizations, 1951	Estimates, 1952	House bill
Export-Import Bank of Washington.....	\$965,000	\$965,000	\$950,000	\$950,000	—\$15,000	—\$15,000	-----

COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1951, AMOUNTS AS REDUCED UNDER SEC. 1214 (GENERAL REDUCTION OF \$550,000,000 IN GENERAL APPROPRIATION ACT, 1951), ESTIMATES FOR 1952 AND AMOUNTS RECOMMENDED IN THE BILL FOR 1952

TITLE I.—TREASURY DEPARTMENT

Agency and item	Appropriations, 1951		Estimates, 1952	House bill for 1952	Amount recommended by Senate	Increase (+) or decrease (—) Senate bill compared with—		
	Specific amounts	As reduced under sec. 1214				Appropriations for 1951 as reduced by sec. 1214	Estimates, 1952	House bill
OFFICE OF THE SECRETARY OF THE TREASURY								
Salaries and expenses.....			\$2,684,000	\$2,400,000	\$2,565,278	+\$2,565,278	—\$118,722	+\$165,278
Salaries.....	\$940,000	\$935,000	(1)			—935,000		
Damage claims.....	30,000	30,000	30,000	25,000	25,000	—5,000	—5,000	
Health service program.....	80,000	80,000	(1)			—80,000		
Total, Office of the Secretary.....	1,050,000	1,045,000	2,714,000	2,425,000	2,590,278	+1,545,278	—123,722	+165,278
OFFICE OF GENERAL COUNSEL								
Salaries.....	340,000	339,000	(1)			—339,000		
OFFICE OF ADMINISTRATIVE SERVICES								
Salaries.....	1,185,000	1,185,000	(1)			—1,185,000		
Miscellaneous expenses.....	308,500	308,500	(1)			—308,500		
Total, Office of Administrative Services.....	1,493,500	1,493,500				—1,493,500		
BUREAU OF ACCOUNTS								
Salaries and expenses.....	2,100,000	2,090,000	2,095,000	1,850,000	2,050,000	—40,000	—45,000	+200,000
Disbursement, division of, salaries and expenses.....	11,050,000	11,050,000	12,000,000	11,050,000	11,775,000	+725,000	—225,000	+725,000

¹ Consolidated under "Salaries and expenses, Office of the Secretary."

Comparative statement of appropriations for 1951, amounts as reduced under sec. 1214 (general reduction of \$550,000,000 in General Appropriation Act, 1951), estimates for 1952 and amounts recommended in the bill for 1952—Continued

TITLE I.—TREASURY DEPARTMENT—Continued

Agency and item	Appropriations, 1951		Estimates, 1952	House bill for 1952	Amount recommended by Senate	Increase (+) or decrease (—) Senate bill compared with—		
	Specific amounts	As reduced under sec. 1214				Appropriations for 1951 as reduced by sec. 1214	Estimates, 1952	House bill
BUREAU OF ACCOUNTS—continued								
Relief of the indigent, Alaska.....	\$4,000	\$4,000				—\$4,000		
Government losses in shipment.....	100,000	100,000				—100,000		
Total, Bureau of Accounts.....	13,254,000	13,244,000	\$14,095,000	\$12,900,000	\$13,825,000	—\$81,000	—\$270,000	+\$925,000
BUREAU OF THE PUBLIC DEBT								
Salaries and expenses.....	50,505,000	50,250,000	52,900,000	49,000,000	51,993,704	+1,743,704	—906,296	+2,943,704
OFFICE OF THE TREASURER								
Salaries and expenses.....	5,200,000	5,175,000	21,100,000	20,500,000	20,898,165	+15,693,165	—231,835	+368,165
Contingent expenses, public moneys.....	475,000	475,000	2,500,000	475,000	500,000	+25,000		+25,000
Total, office of the Treasurer.....	5,675,000	5,650,000	21,600,000	20,975,000	21,398,165	+15,718,165	—231,835	+393,165
BUREAU OF CUSTOMS								
Salaries and expenses.....	36,825,000	36,825,000	38,300,000	36,825,000	37,949,700	+1,124,700	—350,300	+1,124,700
BUREAU OF INTERNAL REVENUE								
Salaries and expenses.....	\$248,047,500	\$246,820,000	\$255,500,000	\$252,000,000	\$255,000,000	+\$8,180,000	—\$500,000	+\$3,000,000
Additional income tax on railroads in Alaska.....	8,000	8,000	8,000	8,000	8,000			
Total, Bureau of Internal Revenue.....	248,055,500	246,828,000	255,508,000	252,008,000	255,008,000	+8,180,000	—500,000	+3,000,000

BUREAU OF NARCOTICS									
Salaries and expenses.....	1, 850, 000	1, 845, 000	2, 100, 000	2, 025, 000	2, 100, 000	+255, 000			+75, 000
BUREAU OF ENGRAVING AND PRINTING									
Working capital.....									
Salaries and expenses.....	18, 835, 000	18, 635, 000	3, 800, 000	3, 000, 000	3, 500, 000	+3, 500, 000		-300, 000	+500, 000
Distinctive paper for United States currency and securities.....	2, 420, 000	2, 420, 000				-18, 635, 000			
Total, Bureau of Engraving and Printing.....	21, 255, 000	21, 055, 000	3, 800, 000	3, 000, 000	3, 500, 000	-2, 420, 000			+500, 000
SECRET SERVICE DIVISION									
Salaries and expenses.....	2, 308, 700	2, 308, 700	2, 600, 000	2, 475, 000	2, 550, 000	+241, 300		-50, 000	+75, 000
Salaries and expenses, White House Police.....	522, 000	522, 000	647, 000	647, 000	647, 000	+125, 000			
Salaries and expenses, guard force.....	700, 000	698, 000	450, 000	400, 000	450, 000	-248, 000			+50, 000
Total, Secret Service Division.....	3, 530, 700	3, 528, 700	3, 697, 000	3, 522, 000	3, 647, 000	+118, 300		-50, 000	+125, 000
BUREAU OF THE MINT									
Salaries and expenses.....	3, 800, 000	3, 800, 000	5, 190, 000	4, 300, 000	4, 965, 800	+1, 165, 800		-224, 200	+665, 800
COAST GUARD									
Operating expenses.....	154, 600, 000	154, 600, 000	162, 700, 000	162, 700, 000	162, 700, 000	+8, 100, 000			
Acquisition, construction, and improvements.....	24, 900, 000	24, 900, 000	16, 000, 000	15, 000, 000	15, 500, 000	-9, 400, 000		-500, 000	+300, 000
Retired pay.....	15, 575, 000	15, 575, 000	16, 647, 000	16, 647, 000	16, 647, 000	+1, 072, 000			
Reserve training.....	(⁴)	(⁴)	2, 000, 000	2, 000, 000	1, 500, 000	+1, 500, 000		-500, 000	-500, 000
Total, Coast Guard.....	195, 075, 000	195, 075, 000	197, 347, 000	196, 347, 000	196, 347, 000	+1, 272, 000		-1, 000, 000	
Total, Treasury Department, title I, regular annual appropriations.....	582, 708, 700	580, 978, 200	597, 251, 000	583, 327, 000	593, 294, 647	+12, 316, 447		-3, 956, 353	+9, 967, 647

² Budget proposed permanent indefinite appropriation estimated at \$500,000 for fiscal year 1952.

³ Includes \$1,200,000 supplemental estimate in H. Doc. 66.

⁴ In 1951, \$1,000,000 was included in "Operating expenses, Coast Guard."

⁵ Does not include \$130,000 for "Bureau of the Mint" and \$350,000 for "Coast Guard, acquisition, construction, and improvement," in the Third Supplemental Appropriation Act (Public Law 45).

Comparative statement of appropriations for 1951, amounts as reduced under sec. 1214 (general reduction of \$550,000,000 in General Appropriation Act, 1951), estimates for 1952 and amounts recommended in the bill for 1952—Continued

TITLE II.—POST OFFICE DEPARTMENT

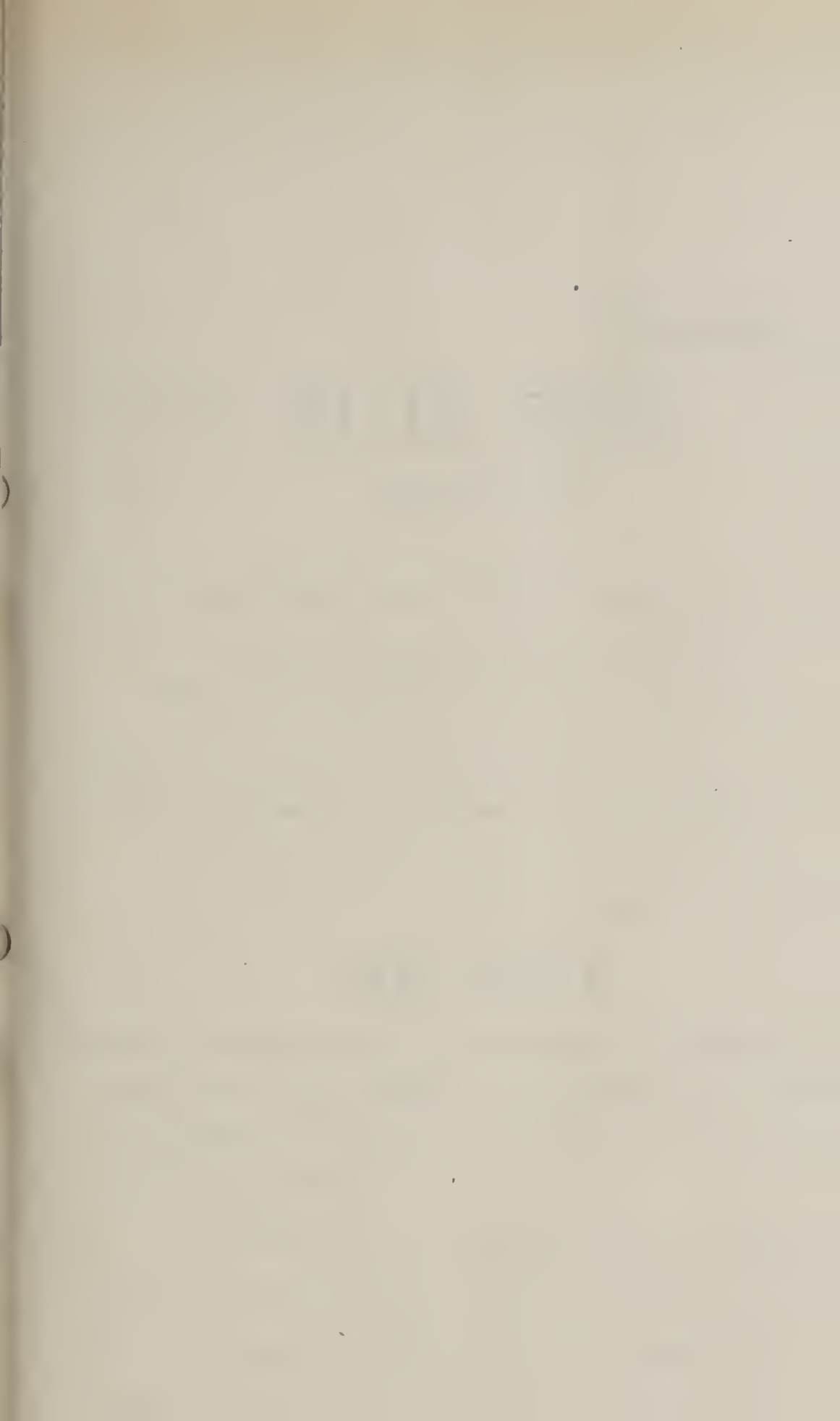
Agency and item	Appropriations, 1951		Estimates, 1952	House bill for 1952	Amount recommended by Senate	Increase (+) or decrease (—) Senate bill compared with—		
	Specific amounts	As reduced under sec. 1214				Appropriations for 1951 as reduced by sec. 1214	Estimates, 1952	House bill
General administration.....	\$16,100,000	\$16,100,000	\$ 21,524,000	\$20,000,000	\$20,800,000	+\$4,700,000	—\$724,000	+\$800,000
Postal operations.....	1,793,000,000	1,793,000,000	1,866,304,000	1,845,000,000	1,852,100,000	+59,100,000	—14,204,000	+7,100,000
Transportation of mails.....	438,000,000	438,000,000	467,539,000	465,000,000	466,000,000	+28,000,000	—1,539,000	+1,000,000
Claims.....	5,500,000	5,500,000	5,807,000	5,500,000	5,500,000	-----	—307,000	-----
Total, Post Office.....	2,252,600,000	2,252,600,000	2,361,174,000	2,335,500,000	2,344,400,000	+91,800,000	—16,774,000	+8,900,000
Grand total, titles I and II, Treasury and Post Office Departments.....	2,835,308,700	\$ 2,833,578,200	2,958,425,000	2,918,827,000	2,937,694,647	+104,116,447	—20,730,353	+18,867,647.

⁶ \$300,000 submitted in S. Doc. 18.

⁷ Does not include \$7,500,000 for "Postal operations" and about \$23,125,000 for "Transportation of mails" in the Third Supplemental Appropriation Act (Public Law 45).

⁸ Does not include \$31,105,000 in Third Supplemental Appropriation Act (Public Law 45).

○



Calendar No. 523

82^D CONGRESS
1ST SESSION

H. R. 3282

[Report No. 550]

IN THE SENATE OF THE UNITED STATES

MARCH 22 (legislative day, MARCH 16), 1951

Read twice and referred to the Committee on Appropriations

JULY 18 (legislative day, JUNE 27), 1951

Reported, under authority of the order of the Senate of July 18 (legislative day, June 27), 1951, by Mr. KILGORE, with amendments

[Omit the part struck through and insert the part printed in italic]

AN ACT

Making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank of Washington for the fiscal year ending June 30, 1952, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 TITLE I—TREASURY DEPARTMENT

4 That the following sums are appropriated, out of any money
5 in the Treasury not otherwise appropriated, for the Treasury
6 Department for the fiscal year ending June 30, 1952,
7 namely:

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

For necessary expenses in the Office of the Secretary, including the bookbindery; the operation and maintenance of the Treasury Building and Annex thereof; and the purchase of uniforms for elevator operators; ~~\$2,400,000~~ \$2,565,278, of which not to exceed \$2,255,712 shall be available for personal services.

DAMAGE CLAIMS

For payment of claims (except those under the Bureau of Engraving and Printing) pursuant to law (28 U. S. C. 2672), \$25,000.

BUREAU OF ACCOUNTS

SALARIES AND EXPENSES

For necessary expenses including contract stenographic reporting services, ~~\$1,850,000~~ \$2,050,000: *Provided*, That Federal Reserve banks and branches may be reimbursed for necessary expenses incident to the deposit of withheld taxes in Government depositories.

SALARIES AND EXPENSES, DIVISION OF DISBURSEMENT

For necessary expenses of the Division of Disbursement, ~~\$11,050,000~~ \$11,775,000.

BUREAU OF THE PUBLIC DEBT

ADMINISTERING THE PUBLIC DEBT

For necessary expenses connected with any public-debt operations authorized by the Second Liberty Bond Act, as amended (31 U. S. C. 760-762), and with the administration of any public debt or currency issues of the United States with which the Secretary of the Treasury is charged, ~~\$49,000,000~~ *\$51,993,704, of which not to exceed \$17,-219,616 shall be available for personal services,* to be expended as the Secretary of the Treasury may direct, and the Secretary is authorized to accept services without compensation: *Provided*, That Federal Reserve banks and branches may be reimbursed for expenditures as fiscal agents of the United States on account of public-debt transactions for the account of the Secretary of the Treasury, and advances to the Postmaster General may be made in accordance with the provisions of section 22 (e) of the Second Liberty Bond Act, as amended (31 U. S. C. 757c (e)) : *Provided further*, That the indefinite appropriation provided by section 10 of said Act, as amended, shall not be available for obligation during the current fiscal year.

1 OFFICE OF THE TREASURER

2 SALARIES AND EXPENSES

3 For necessary expenses of the Office of the Treasurer,
4 ~~\$20,500,000~~ \$20,868,165, of which not to exceed \$4,404,868
5 shall be available for personal services.

6 CONTINGENT EXPENSES, PUBLIC MONEYS

7 For the collection, safekeeping, transfer, and disburse-
8 ment of the public money and securities of the United
9 States, ~~\$475,000~~ \$500,000.

10 BUREAU OF CUSTOMS

11 SALARIES AND EXPENSES

12 For expenses necessary for collecting the revenue from
13 customs, enforcement of navigation laws under section 102,
14 Reorganization Plan Numbered III of 1946, and of other
15 laws enforced by the Bureau of Customs, and the detection
16 and prevention of frauds, including not to exceed \$100,000
17 for the securing of information and evidence; transportation
18 and transfer of customs receipts from points where there are
19 no Government depositories; examination of estimates of
20 appropriations in the field; expenses of attendance at meet-
21 ings of organizations concerned with the purposes of this
22 appropriation; purchase of one hundred passenger motor
23 vehicles for replacement only; expenses of seizure, custody,
24 and disposal of property; arms and ammunition; and not to
25 exceed ~~\$1,000,000~~ \$1,086,930 for personal services in the

1 District of Columbia exclusive of ten persons from the field
2 force authorized to be detailed under law (19 U. S. C.
3 1525) ; ~~\$36,825,000~~ \$37,949,700.

4 BUREAU OF INTERNAL REVENUE

5 SALARIES AND EXPENSES

6 For necessary expenses in assessment and collection of
7 internal-revenue taxes; administration of the internal-revenue
8 laws; discharge of functions imposed upon the Commissioner
9 of Internal Revenue by or pursuant to other laws; investiga-
10 tions concerning the enrollment or disbarment of practitioners
11 before the Treasury Department in internal-revenue matters;
12 and acquisition, operation, maintenance, and repair of prop-
13 erty under title III of the Liquor Law Repeal and Enforce-
14 ment Act (40 U. S. C. 304f-m), including expenses, when
15 specifically authorized by the Commissioner, of attendance
16 at meetings of organizations concerned with internal-revenue
17 matters; purchase (not to exceed three hundred for replace-
18 ment only) and hire of passenger motor vehicles *and in*
19 *addition to the number of passenger motor vehicles provided*
20 *for herein, the Bureau may use not to exceed twenty pas-*
21 *senger motor vehicles acquired through seizure as provided*
22 *for by law*; examination of estimates of appropriations in
23 the field; services as authorized by section 15 of the Act of
24 August 2, 1946 (5 U. S. C. 55a), and of expert witnesses
25 at such rates as may be determined by the Commissioner of

1 Internal Revenue; expenses of seizure, custody, and disposal
 2 of property; purchase of chemical analyses and expenses of
 3 testimony thereon; ammunition; securing of information and
 4 evidence; and not to exceed \$500,000 for detecting and
 5 bringing to trial persons guilty of violating the internal-
 6 revenue laws or conniving at the same, as authorized by law
 7 (26 U. S. C. 3792); ~~\$252,000,000~~ \$255,000,000: *Pro-*
 8 *vided*, That the amount for personal services in the District
 9 of Columbia shall not exceed \$17,700,000.

10 ADDITIONAL INCOME TAX ON RAILROADS IN ALASKA

11 For the payment to the Treasurer of Alaska of an
 12 amount equal to the tax of 1 per centum collected on the
 13 gross annual income of all railroad corporations doing busi-
 14 ness in Alaska, on business done in Alaska, which tax is in
 15 addition to the normal income tax collected from such cor-
 16 porations on net income, the amount of such additional tax
 17 to be applicable to general Territorial purposes, \$8,000.

18 BUREAU OF NARCOTICS

19 SALARIES AND EXPENSES

20 For expenses necessary to enforce sections 2550-2565;
 21 2567-2571; 2590-2603; 3220-3228; 3230-3238 of the In-
 22 ternal Revenue Code; the Narcotic Drugs Import and Export
 23 Act, as amended (21 U. S. C. 171-184); the Act of June
 24 14, 1930 (5 U. S. C. 282-282c and 21 U. S. C. 197-198)

1 and the Opium Poppy Control Act of 1942 (21 U. S. C.
2 188-188n), including services as authorized by section
3 15 of the Act of August 2, 1946 (5 U. S. C. 55a);
4 purchase of chemical analyses and testimony thereon; ex-
5 penses of seizure, custody, and disposal of property; hire of
6 passenger motor vehicles; arms and ammunition; not to
7 exceed \$10,000 for the collection and dissemination of in-
8 formation and appeal for law observance and law enforce-
9 ment, including cost of printing; securing of information
10 and evidence; and not to exceed \$10,000 for services or
11 information looking toward the apprehension of narcotic
12 law violators who are fugitives from justice; ~~\$2,025,000~~
13 \$2,100,000.

14 BUREAU OF ENGRAVING AND PRINTING

15 For working capital for the Bureau of Engraving and
16 Printing Fund established by the Act of August 4, 1950
17 (Public Law 656), ~~\$3,000,000~~ \$3,500,000: *Provided*, That
18 hereafter, in order to foster competition in the manufacture of
19 distinctive paper for United States currency and securities,
20 the Secretary of the Treasury is authorized, in his discretion,
21 to split the award for such paper between the two bidders
22 whose prices per pound are the lowest received after
23 advertisement.

SECRET SERVICE DIVISION

SALARIES AND EXPENSES

For expenses necessary in detecting, arresting, and delivering into other custody dealers and pretended dealers in counterfeit money, persons engaged in counterfeiting, forging, and altering United States notes, bonds, national bank notes, Federal Reserve notes, Federal Reserve bank notes, and other obligations and securities of the United States and of foreign governments (including endorsements thereon and assignments thereof), as well as the coins of the United States and of foreign governments, and persons committing other crimes against the laws of the United States relating to the Treasury Department and the several branches of the public service under its control; for the protection of the person of the President, the members of his immediate family, the Vice President, and of the person chosen to be President of the United States; purchase (not to exceed thirty-five for replacement only) and hire of passenger motor vehicles; arms and ammunition; and not to exceed \$20,000, with the approval of the Chief of the Secret Service, for services or information looking toward the apprehension of criminals; ~~\$2,475,000~~ \$2,550,000.

SALARIES AND EXPENSES, WHITE HOUSE POLICE

For necessary expenses, including uniforms and equipment, and arms and ammunition, purchases to be made in

1 such manner as the President may determine, \$647,000:
 2 *Provided*, That this appropriation shall be available for the
 3 employment of additional personnel without regard for the
 4 limitation contained in section 2 of the Act of August 15,
 5 1950 (Public Law 693).

6 SALARIES AND EXPENSES, GUARD FORCE

7 For necessary expenses of the guard force for Treasury
 8 Department buildings in the District of Columbia, and
 9 elsewhere, including purchase, repair, and cleaning of uni-
 10 forms; and arms and ammunition; ~~\$400,000~~ \$450,000:
 11 *Provided*, That funds may be advanced or reimbursed to
 12 this appropriation from the Bureau of Engraving and Print-
 13 ing to cover service rendered such Bureau: *Provided further*,
 14 That the Secretary of the Treasury may detail two agents
 15 of the Secret Service to supervise such force.

16 BUREAU OF THE MINT

17 SALARIES AND EXPENSES

18 For necessary expenses at the mints at Philadelphia,
 19 Pennsylvania, San Francisco, California, and Denver, Col-
 20 orado; the assay offices at New York, New York, and
 21 Seattle, Washington; the bullion depositories at Fort Knox,
 22 Kentucky, and West Point, New York; and the Office of
 23 the Director of the Mint, and for carrying out the provisions
 24 of the Gold Reserve Act of 1934 and the Silver Purchase

1 Act of 1934, including arms and ammunition, purchase and
2 maintenance of uniforms and accessories for guards, purchase
3 of one passenger motor vehicle (for replacement only), cases
4 and enameling for medals manufactured, loss on sale of
5 sweeps arising from the treatment of bullion and the manu-
6 facture of coins, not to exceed \$1,000 for the expenses of
7 the annual assay commission, and not to exceed \$1,000
8 for acquisition, at the dollar face amount or otherwise, of
9 specimen and rare coins, including United States and foreign
10 gold coins and pieces of gold used as, or in lieu of, money,
11 and ores for addition to the Government's collection;
12 ~~\$4,300,000~~ \$4,965,800, of which not to exceed \$4,259,800
13 shall be available for personal services.

14 COAST GUARD

15 OPERATING EXPENSES

16 For expenses necessary for the operation and mainte-
17 nance of the Coast Guard, not otherwise provided for,
18 including pay and allowances, as authorized by law, for
19 commissioned officers, cadets, warrant officers, and enlisted
20 personnel, on active duty; services as authorized by section
21 15 of the Act of August 2, 1946 (5 U. S. C. 55a); pur-
22 chase of not to exceed thirty-one passenger motor vehicles
23 for replacement only; maintenance, operation, and repair
24 of aircraft; not to exceed \$280,000 for recreation, amuse-
25 ment, comfort, and contentment of enlisted personnel of

1 the Coast Guard, to be expended pursuant to regulations
2 prescribed by the Secretary; and examination of estimates
3 of appropriations in the field; \$162,700,000: *Provided*, That
4 the number of aircraft on hand at any one time shall not
5 exceed one hundred and thirteen exclusive of planes and parts
6 stored to meet future attrition: *Provided further*, That
7 no part of this appropriation shall be used to pay any en-
8 listed man of the Coast Guard while detailed for duty at
9 Coast Guard headquarters if such detail increases above
10 fifty-five the total number of enlisted men so detailed to
11 duty at such time: *Provided further*, That (a) the unob-
12 ligated balance of appropriation to the Coast Guard for the
13 fiscal year 1951 for "Operating expenses" shall be trans-
14 ferred on July 1, 1951, to the account established by the
15 Surplus Fund-Certified Claims Act of 1949 for payment of
16 certified claims; (b) amounts equal to the unliquidated ob-
17 ligations on July 1, 1951, against the appropriation "Operat-
18 ing expenses", fiscal year 1951, and the appropriations to
19 the Coast Guard for the fiscal year 1950 which were merged
20 therewith pursuant to the Treasury Department Appropria-
21 tion Act, 1951, shall be transferred to and merged with this
22 appropriation, and such merged appropriation shall be avail-
23 able as one fund, except for accounting purposes of the Coast
24 Guard, for the payment of obligations properly incurred
25 against such prior year appropriations and against this ap-

1 appropriation, but on July 1, 1952, there shall be transferred
2 from such merged appropriation to the appropriation for
3 payment of certified claims (1) any remaining unexpended
4 balance of the 1950 appropriations so transferred, and (2)
5 any remaining unexpended balance of the 1951 appropria-
6 tion so transferred which is in excess of the obligations then
7 remaining unliquidated against such appropriation.

8 ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

9 For establishing and improving aids to navigation; the
10 purchase or construction of additional and replacement
11 vessels and their equipment; the purchase of aircraft and
12 their equipment; the construction, rebuilding, or extension
13 of shore facilities, including the acquisition of sites and im-
14 provements thereon when specifically approved by the
15 Secretary; and for expenditures directly relating thereto,
16 including personal services; ~~\$15,000,000~~ \$15,500,000, to
17 remain available until expended.

18 RETIRED PAY

19 For retired pay for commissioned officers, warrant
20 officers, and enlisted personnel; for certain members of the
21 former Life Saving Service authorized by law (14 U. S. C.
22 431b); and for certain officers and employees entitled
23 thereto by virtue of former employment in the Lighthouse

1 Service engaged in the field service or on vessels of the
 2 Coast Guard (33 U. S. C. 763, 765) ; including the payment
 3 of obligations therefor incurred during prior fiscal years;
 4 \$16,647,000.

5 RESERVE TRAINING

6 For all necessary expenses for the Coast Guard Reserve,
 7 as authorized by law (14 U. S. C. 751-762; 37 U. S. C.
 8 231-319), including expenses for regular personnel, or re-
 9 serve personnel while on active duty, engaged primarily in
 10 administration of the reserve program; ~~purchase of not to~~
 11 ~~exceed eleven passenger motor vehicles;~~ and the maintenance,
 12 operation, and repair of aircraft; ~~\$2,000,000~~ \$1,500,000.

13 SEC. 102. This title may be cited as the "Treasury De-
 14 partment Appropriation Act, 1952".

15 TITLE II—POST OFFICE DEPARTMENT

16 For administration and operation of the Post Office
 17 Department and the postal service, there is hereby appro-
 18 priated the aggregate amount of postal revenues for the
 19 fiscal year ending June 30, 1952, as authorized by law
 20 (5 U. S. C. 380; 39 U. S. C. 786), together with an
 21 amount from any money in the Treasury not otherwise
 22 appropriated, equal to the difference between such revenues
 23 and the total of the appropriations hereinafter specified and

1 the sum needed may be advanced to the Post Office Depart-
2 ment upon requisition of the Postmaster General, for the
3 following purposes, namely:

4 GENERAL ADMINISTRATION

5 For expenses necessary for general administration of the
6 postal service, operation of the inspection service, and the
7 conduct of a research and development program, including
8 services as authorized by section 15 of the Act of
9 August 2, 1946 (5 U. S. C. 55a); \$250,000 to be
10 available exclusively for procurement by contract of things
11 and services related to design, development, and construction
12 of equipment used in postal operations, and for contracts for
13 management studies; rewards for information and services
14 concerning violations of postal laws and regulations, current
15 and prior fiscal years, in accordance with regulations of the
16 Postmaster General in effect at the time the services are
17 rendered or information furnished; purchase of one passenger
18 motor vehicle (for replacement only) at not to exceed
19 \$4,500; and expenses of delegates designated by the Post-
20 master General to attend meetings and conventions for the
21 purpose of making postal arrangements with foreign govern-
22 ments pursuant to law and the expenses of delegates pro-
23 vided for herein and not to exceed \$20,000 for rewards,
24 as provided for herein, shall be paid in the discretion of

1 the Postmaster General and accounted for solely on his
 2 certificate; ~~\$20,000,000~~ \$20,800,000.

3 POSTAL OPERATIONS

4 For expenses necessary for postal operations, not other-
 5 wise provided for, and for other activities conducted by the
 6 Post Office Department pursuant to law, including \$500,000
 7 to be available exclusively for manufacture and procurement
 8 of improved devices for postal operations and other activities;
 9 \$11,579,000 to be available exclusively for the purchase of
 10 trucks, tractors, and trailers; and storage and repair of
 11 vehicles owned by, or under control of, units of the National
 12 Guard and departments and agencies of the Federal Govern-
 13 ment where repairs are made necessary because of utilization
 14 of such vehicles in the postal service; ~~\$1,845,000,000~~
 15 \$1,852,100,000: *Provided*, That during the current fiscal
 16 year the inventory of trucks, tractors, and trailers of the
 17 Post Office Department shall not exceed seventeen thousand
 18 five hundred such vehicles at any time.

19 TRANSPORTATION OF MAILS

20 For payments, ~~current and prior fiscal years~~, for trans-
 21 portation of domestic and foreign mails by air, land, and
 22 water transportation facilities, *including current and prior*
 23 *fiscal years* settlements with foreign countries for handling
 24 of mail; and for expenses, exclusive of personal services,

1 necessary for operation of Government-owned highway post
2 office transportation service; ~~\$465,000,000~~ \$466,000,000.

3 CLAIMS

4 For settlement of claims, pursuant to law, current and
5 prior fiscal years, for damages (28 U. S. C. 2672; 31
6 U. S. C. 224c) ; losses resulting from unavoidable casualty
7 (39 U. S. C. 49) ; loss of or damage to mail, and failure to
8 remit collect-on-delivery charges (5 U. S. C. 372; 39
9 U. S. C. 244, 245a, 245b, 245d, 381, 382, 387) ; and
10 domestic money orders more than one year old (31 U. S. C.
11 725k) ; \$5,500,000.

12 GENERAL PROVISIONS

13 SEC. 202. Appropriations made in this title for general
14 administration and for postal operations shall be available
15 for examination of estimates of appropriations in the field.

16 SEC. 203. Appropriations made in this title, except
17 those for payment of claims, shall be available for expendi-
18 tures in connection with accident prevention.

19 SEC. 204. Appropriations made in this title available
20 for expenses of travel shall be available, under regulations
21 prescribed by the Postmaster General, for expenses of at-
22 tendance at meetings of technical, scientific, professional, or
23 other similar organizations concerned with the function or
24 activity for which the appropriation concerned is made.

25 SEC. 205. The Postmaster General may authorize the

1 sale of post route and rural delivery maps, opinions of the
2 Solicitor, and transcripts of hearings before trial examiners
3 at such rates as he determines to be fair and reasonable.

4 SEC. ~~206~~ 205. This title may be cited as the "Post Office
5 Department Appropriation Act, 1952".

6 TITLE III—GOVERNMENT CORPORATIONS

7 The following corporation is hereby authorized to make
8 such expenditures, within the limits of funds and borrowing
9 authority available to such corporation, and in accord with
10 law, and to make such contracts and commitments without
11 regard to fiscal year limitations as provided by section 104
12 of the Government Corporation Control Act, as amended, as
13 may be necessary in carrying out the programs set forth in
14 the Budget for the fiscal year 1952 for such corporation,
15 except as hereinafter provided:

16 EXPORT-IMPORT BANK OF WASHINGTON

17 Not to exceed \$950,000 (to be on an accrual basis)
18 of the funds of the Export-Import Bank of Washington shall
19 be available during the current fiscal year for all administra-
20 tive expenses of the bank, including not to exceed \$25,000
21 for temporary services, as authorized by section 15 of the
22 Act of August 2, 1946 (5 U. S. C. 55a) : *Provided*, That
23 necessary expenses (including special services performed
24 on a contract or fee basis, but not including other per-
25 sonal services) in connection with the acquisition, opera-

tion, maintenance, improvement, or disposition of any real or personal property belonging to the bank or in which it has an interest including expenses of collections of pledged collateral, or the investigation or appraisal of any property in respect to which an application for a loan has been made, shall be considered as nonadministrative expenses for the purposes hereof.

SEC. 302. This title may be cited as the "Export-Import Bank of Washington Appropriation Act, 1952".

TITLE IV—GENERAL PROVISIONS

SEC. 401. No part of any appropriation contained in this Act, or of the funds available for expenditure by any corporation included in this Act, shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of

1 Government employees that asserts the right to strike against
2 the Government of the United States, or that such person
3 does not advocate, and is not a member of an organization
4 that advocates, the overthrow of the Government of the
5 United States by force or violence: *Provided further*, That
6 any person who engages in a strike against the Government
7 of the United States or who is a member of an organization
8 of Government employees that asserts the right to strike
9 against the Government of the United States, or who advo-
10 cates, or who is a member of an organization that advocates,
11 the overthrow of the Government of the United States by
12 force or violence and accepts employment the salary or
13 wages for which are paid from any appropriation or fund
14 contained in this Act shall be guilty of a felony and, upon
15 conviction, shall be fined not more than \$1,000 or imprisoned
16 for not more than one year, or both: *Provided further*, That
17 the above penalty clause shall be in addition to, and not in
18 substitution for, any other provisions of existing law.

19 *SEC. 402. No part of the money appropriated by this*
20 *Act or of the funds made available for expenditure by the*
21 *Export-Import Bank of Washington which is in excess of*
22 *75 per centum of the amount required to pay the compensa-*
23 *tion of all persons the budget estimates for personal services*
24 *heretofore submitted to the Congress for the fiscal year*

1 1952 contemplated would be employed by the Treasury and
2 Post Office Departments and the Export-Import Bank of
3 Washington during such fiscal year in the performance of—

4 (1) functions performed by a person designated as
5 an information specialist, information and editorial spe-
6 cialist, publications and information coordinator, press
7 relations officer or counsel, photographer, radio expert,
8 television expert, motion-picture expert, or publicity
9 expert, or designated by any similar title, or

10 (2) functions performed by persons who assist per-
11 sons performing the functions described in (1) in draft-
12 ing, preparing, editing, typing, duplicating, or dissem-
13 inating public information publications or releases, radio
14 or television scripts, magazine articles, photographs,
15 motion pictures, and similar material,

16 shall be available to pay the compensation of persons per-
17 forming the functions described in (1) or (2).

18 SEC. 402 403. This Act may be cited as the “Treasury
19 and Post Office Departments Appropriation Act, 1952”.

Passed the House of Representatives March 21, 1951.

Attest:

RALPH R. ROBERTS,

Clerk.

82ND CONGRESS
1ST SESSION

H. R. 3282

[Report No. 550]

AN ACT

Making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank of Washington for the fiscal year ending June 30, 1952, and for other purposes.

MARCH 22 (legislative day, MARCH 16), 1951

Read twice and referred to the Committee on
Appropriations

JULY 18 (legislative day, JUNE 27), 1951

Reported with amendments



United States
of America

CHIEF, LEGISLATIVE STAFF
Office of Budget and Finance

Congressional Record

PROCEEDINGS AND DEBATES OF THE 82^d CONGRESS, FIRST SESSION

Vol. 97

WASHINGTON, THURSDAY, JULY 19, 1951

No. 132

Senate

(Legislative day of Wednesday, June 27, 1951)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O Lord God, who knowest the burdens we bear and the temptations which beset us, grant us the royalty of inward happiness and the composure which comes from living near to Thee. Daily renew in us a sense of joy and let Thy spirit dwell in our hearts that we may carry about the infection of a good courage and may meet all life's ills and accidents with gallant, high-hearted happiness, giving Thee thanks always for all things.

O Thou Great Physician of men and nations, as Thou dost look upon the distractions of the world with their ever-increasing turmoil, be pleased to stretch forth Thine hand in healing; prosper all those organizations and institutions which are working for a better understanding between men and for a just and durable order of society.

Endue with the spirit of wisdom all to whom is entrusted the responsibility of government. In white wrath at the vile treacheries which today foul the earth, give us that personal integrity which shall make us fit to be the defenders of those high things which make life worth while. We ask it in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. McFARLAND, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, July 18, 1951, was dispensed with.

MESSAGES FROM THE PRESIDENT— APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Hawks, one of his secretaries, and he announced that the President had approved and signed the following acts:

On July 18, 1951:

S. 1109. An act for the relief of Grady Franklin Welch.

On July 19, 1951:

S. 417. An act for the relief of Sui Ken Fong and Sui Tung Fong; and

S. 879. An act for the relief of Luigi Podesta.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 3790) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1952, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. KIRWAN, Mr. NORRELL, Mr. JACKSON of Washington, Mr. FURCOLO, Mr. CANNON, Mr. JENSEN, Mr. FENTON, and Mr. TABER were appointed managers on the part of the House at the conference.

LEAVE OF ABSENCE

On his own request, and by unanimous consent, Mr. McCLELLAN was excused from attendance upon the sessions of the Senate until Monday.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. LEHMAN, and by unanimous consent, a subcommittee of the Committee on Interior and Insular Affairs was granted permission to meet this afternoon during the session of the Senate.

REPORT OF CIVIL SERVICE COMMISSION—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 195)

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read and, with the accompanying report, referred to the Committee on Post Office and Civil Service.

(For President's message, see today's proceedings of the House of Representatives, p. 8687.)

TRANSACTION OF ROUTINE BUSINESS

Mr. McFARLAND. Mr. President, I ask unanimous consent that Senators be permitted to make insertions in the Record and transact routine business, without debate.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

UNITED STATES MEMBERSHIP IN PAN AMERICAN INSTITUTE OF GEOGRAPHY AND HISTORY

A letter from the Secretary of State, transmitting a draft of proposed legislation to amend the joint resolution providing for the membership of the United States in the Pan American Institute of Geography and History and authorize appropriations therefor (with accompanying papers); to the Committee on Foreign Relations.

CANCELLATION OF DELINQUENT IRRIGATION CHARGES AGAINST CERTAIN INDIAN-OWNED LANDS, WYOMING

A letter from the Secretary of the Interior, transmitting, pursuant to law, a copy of his order canceling delinquent irrigation operation and maintenance charges against Indian-owned lands of the Wind River Indian Reservation, Wyo. (with an accompanying paper); to the Committee on Interior and Insular Affairs.

REPORT ON PROFESSORS AND INSTRUCTORS AT UNITED STATES NAVAL POSTGRADUATE SCHOOL

A letter from the Secretary of the Navy, reporting, pursuant to law, on the number of professors and instructors and the amount of compensation for each employed by the United States Naval Postgraduate School; to the Committee on Armed Services.

PROPOSED TRANSFER BY NAVY DEPARTMENT OF SHIP MODELS TO PENNSYLVANIA HISTORICAL AND MUSEUM COMMISSION AND CITY OF WILDWOOD, N. J.

A letter from the Secretary of the Navy, reporting, pursuant to law, that the Pennsylvania Historical and Museum Commission of the Commonwealth of Pennsylvania and the city of Wildwood, N. J., had requested the loan of ship models for exhibition purposes; to the Committee on Armed Services.

REPORT OF NATIONAL SECURITY COUNCIL

A letter from the Executive Secretary of the National Security Council, Washington, D. C., transmitting, pursuant to law, a report of the Council on Determination No. 4, trade between India and the Soviet bloc, together with a secret document (with accompanying papers); to the Committee on Armed Services.

PETITIONS

Petitions, etc., were laid before the Senate and referred as indicated:

By the VICE PRESIDENT:

A resolution adopted by the California-Nevada Association of Lions International, at Stockton, Calif., relating to Federal contributions toward civil defense; to the Committee on Armed Services.

A letter from the chairman of the New York State Civil Defense Commission, New

York, N. Y., enclosing copies of letters exchanged between the State of New Jersey and the State of New York, acknowledging the existence between them of the civil defense interstate compact (with accompanying papers); to the Committee on Armed Services.

A letter in the nature of a petition from the Society for the Prevention of World War III, Inc., of New York, N. Y., signed by Isidore Lipschutz, treasurer, relating to a treaty of peace with Germany; to the Committee on Foreign Relations.

A resolution adopted by the California-Nevada Associations of Lions International, at Stockton, Calif., favoring the enactment of legislation providing statehood for Hawaii; ordered to lie on the table.

A cablegram from Douglas Clifton Brown, speaker of the House of Commons, London, England, expressing the deep sympathy of that body for the sufferers from the fires and floods in Kansas and Missouri; ordered to lie on the table.

PROHIBITION OF ALCOHOLIC-BEVERAGE ADVERTISING IN INTERSTATE COMMERCE—PETITION

Mr. MAGNUSON. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a petition signed by Vivian M. Bertrand and 22 other citizens of Okanogan, Wash., praying for the enactment of legislation to prohibit alcoholic beverage advertising in interstate commerce.

There being no objection, the petition was referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

To Our Senators and Representatives in Congress:

We, the undersigned, respectfully petition you to protect us in our rights as parents and as purchasers, by passing legislation to prohibit alcoholic beverage advertising over the radio and television and in our magazines and newspapers. Our television sets are being rendered worse than useless by alcoholic-beverage advertising, and our children are being led to believe that alcohol is harmless and to glorify crime by means of such advertising.

VIVIAN M. BERTRAND
(And 22 other citizens of Okanogan,
Wash.).

REPORT OF A COMMITTEE SUBMITTED DURING RECESS

Under authority of the order of the Senate of the 18th instant,

Mr. KILGORE, from the Committee on Appropriations, to which was referred the bill (H. R. 3282) making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank of Washington for the fiscal year ending June 30, 1952, and for other purposes, reported it on July 18, 1951, with amendments, and submitted a report (No. 550) thereon.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. STENNIS, from the Committee on Armed Services, without amendment:

H. R. 1200. A bill to correct an error in section 1 of the act of June 28, 1947, "to stimulate volunteer enlistments in the Regular Military Establishment of the United States"; (Rept. No. 553);

H. R. 1201. A bill to amend section 4 of the act of March 2, 1933 (47 Stat. 1423), as

amended, so as to provide that a mess operated under the direction of a Supply Corps officer can be operated either on a quantity or on a monetary-ration basis; (Rept. No. 554);

H. R. 1834. A bill for the relief of Florence Grace Pond Whitehill; (Rept. No. 555); and H. J. Res. 67. Joint resolution to provide that an aircraft carrier shall be named the Forrestal; (Rept. No. 556).

By Mr. STENNIS, from the Committee on Armed Services, with amendments:

H. R. 2736. A bill to authorize advances for clothing and equipment to cadets at the Military Academy and to midshipmen at the Naval Academy, and for other purposes; (Rept. No. 557).

CONCENTRATION OF DEFENSE CONTRACTS IN INDUSTRY—REPORT OF SELECT COMMITTEE ON SMALL BUSINESS (S. REPT. NO. 551)

Mr. SALTONSTALL. Mr. President, from the Select Committee on Small Business, I submit a report relating to concentration of defense contracts in industry.

The VICE PRESIDENT. The report will be received and printed.

STUDY OF RECONSTRUCTION FINANCE CORPORATION LOAN TO KAISER-FRAZER CORP.—INTERIM REPORT OF COMMITTEE ON BANKING AND CURRENCY (S. REPT. NO. 552)

Mr. FULBRIGHT. Mr. President, from the Committee on Banking and Currency, I submit, pursuant to Senate Resolution 219, Eighty-first Congress, the fourth interim report of the subcommittee on Reconstruction Finance Corporation of the Committee on Banking and Currency. The report deals exclusively with the loan to Kaiser-Frazer Corp.

I wish also to state that this report was furnished to the borrower in advance, thereby giving the borrower an opportunity to make whatever comment it chose to make. A copy was furnished the borrower simultaneously with the release of the report, as of today.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement prepared by the subcommittee with reference to the report.

The VICE PRESIDENT. The report will be received and printed, and, without objection, the statement will be printed in the RECORD.

The statement is as follows:

STATEMENT

RFC SUBCOMMITTEE REPORT KAISER-FRAZER LOANS

The Subcommittee on Reconstruction Finance Corporation (Senate Committee on Banking and Currency) today made public the fourth interim report of its study under Senate Resolution 219. The report deals exclusively with the loans to Kaiser-Frazer Corp., the first of which was approved by the RFC in October of 1949. The Committee on Banking and Currency has authorized the submission of this report to the Senate.

The subcommittee has not held hearings on its study of the Kaiser-Frazer loans and it does not plan to hold hearings. Accordingly, considerable care has been taken to make this a complete and accurate report, and, with this in mind, the subcommittee placed preliminary drafts at the disposal of both lender and borrower, for their review and comment. Both have indicated that

they are satisfied with the accuracy of the facts reported, which, of course, does not necessarily mean that they endorse the report in any way.

At May 31, 1951, Kaiser-Frazer and its subsidiary owed RFC \$31,695,931 on the first loan, approved October 6, 1949; \$10,000,000 on the second loan, approved October 21, 1949; and \$20,205,213 on the third loan, approved December 4, 1950. The total was \$61,901,144. In addition, \$12,231,000 was owed to GSA on the Willow Run purchase-money mortgage—a grant total of \$74,132,144.

This is the fourth interim report of the RFC subcommittee which has been studying the RFC, under a special resolution of the Senate, since February 1950. The first report criticized the making of a \$15,100,000 loan to the Texmass Petroleum Co. That report, filed on May 19, 1950, said that the loan was not in the public interest, nor in accordance with the intent of Congress. The second report, on the Lustron transportation contract, filed on August 11, 1950, criticized RFC's administration of the Lustron loan. The third report, on the subject of favoritism and influence, asserted that drastic action was required to restore the integrity of RFC, and it proposed a reorganization of the corporation's top-management structure. The third report was filed on February 5, 1951, and the reorganization which it proposed was largely brought about by Reorganization Plan No. 1 of 1951. The plan became effective May 4, 1951, when Stuart Symington took office as Administrator of RFC.

The report on the loans to Kaiser-Frazer and its subsidiary is the last of the interim reports to be made in the subcommittee's special study. The final report on the study is expected to follow shortly.

REPORT OF PERSONNEL AND FUNDS BY COMMITTEE ON ARMED SERVICES

Pursuant to Senate Resolution 123, Eightieth Congress, first session, the following report was received by the Secretary of the Senate:

JUNE 30, 1951.

REPORT OF COMMITTEE ON ARMED SERVICES

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees for the period from January 1, 1951, to June 30, 1951, together with the funds available to and expended by it and its subcommittees:

Name and profession	Rate of gross annual salary	Total salary received
William H. Darden, chief clerk (from Apr. 18, 1951).....	\$10,846.00	\$2,193.54
J. Nelson Tribby, chief clerk (to Apr. 17, 1951).....	10,846.00	3,224.46
J. Nelson Tribby, staff adviser (from Apr. 18 to June 30, 1951).....	10,846.00	2,198.54
Justice M. Chambers, staff adviser (to Apr. 30, 1951).....	10,846.00	3,565.20
Mark H. Galusha, staff adviser.....	10,846.00	5,423.00
Verne D. Mudge, staff adviser.....	10,846.00	5,423.00
Herbert S. Atkinson, assistant chief clerk.....	7,109.06	3,554.53
Victoria Dobroska, clerical assistant (from Feb. 15, 1951).....	4,067.49	1,527.55
Georgia P. Earle, clerical assistant.....	4,154.38	2,077.19
Irene P. Gray, clerical assistant.....	4,154.38	2,077.19
Maurine E. Klingaman, clerical assistant.....	3,806.78	1,903.39

Funds authorized or appropriated for committee expenditure..... \$10,000.00
Amount expended..... 5,898.84

Balance unexpended..... 4,101.16

RICHARD B. RUSSELL,
Chairman.

The fact that the attorney mentioned in S. 630 happens to be the brother of my opponent, Abe Murdock, is merely a coincidence.

When a similar resolution involving another employee was before the Senate some time back, I prepared a speech which I intended to deliver opposing that resolution. But when the matter became the pending business I was confined in the hospital and unable to be present.

Incidentally, one of my principal reasons for sending a letter to the Members of the Senate which was read by the clerk stating my views on S. 630 was the fact that I had been advised by my physician that I should not attempt at the present time to deliver a speech of any length. The letter which I sent to the Senators was available to Mr. Pearson. There was no secret about my sending it. His implication and innuendo that I did it because of revenge or bitterness toward Mr. Murdock or any of his family is completely and utterly false.

I do not know Mr. Murdock personally. I have met him, I think, once for a few brief moments. I am informed he is an able lawyer. I have no objection to his employment by the Labor Committee or any other committee of the Senate or any branch of the Government. All I ask is that he and those who employ him comply with the laws of the United States. The claims which he is prosecuting against the United States in Court of Claims as has already been indicated, are labor claims involving the employees of the United States operating the Alaska Railroad. These men are entitled to representation. They are entitled to have the matter heard in the courts and in the committees of Congress, but they are not entitled to have their personal attorney who presents and presses these claims against the United States acting as an attorney for a committee of the Congress where he has access to the floor of the Senate and many other advantages that any attorney in private practice does not have. It should be obvious that any attorney having access to the floor of the Senate and to the views of their Senators and their staffs is given a tremendous advantage over other attorneys in private practice who are pressing claims against the Government.

The waiver of the conflict-of-interest laws in behalf of Mr. Murdock and others engaged in similar practice is decidedly unfair to the lawyers who are employed by Senators, Congressmen and committees. There isn't the slightest doubt that if the statutes were waived in their behalf they could form partnerships here in Washington and obtain a lucrative practice in presenting claims against the United States. I am sure no Senator would contend that we should have a waiver of conflict-of-interest laws in behalf of all the lawyers employed in activities here in Congress, and yet the principle involved is no different than in the case of Mr. Murdock.

Before I conclude this statement I want to point out that the Labor and Public Welfare Committee of the Senate has a large number of lawyers on its staff, anyone of whom is capable of taking care of the work of the subcommittee where Mr. Murdock has been employed. I am reliably informed that there is no shortage of legal help for this Senate subcommittee.

On March 19, 1947, the Washington law firm of Seegmiller & Murdock filed in the United States Court of Claims the first Alaska Railroad employee claim for overtime compensation. This suit was in the name of George D. Poggas, and was assigned docket No. 47,652. Ray R. Murdock, the attorney named in S. 630, was then, as he is now, a partner in the Washington law firm of Seegmiller & Murdock. That firm was recorded as attorney of record in the Poggas case.

The Poggas claim and the claims of several hundred other employees of the Alaska Railroad ran back to the early 1930's and

covered a period of 14 years. Timely suit had not been brought. As a consequence the statute of limitations had run thereby barring recovery.

Therefore in the Eighty-first Congress two bills were introduced to confer jurisdiction on the United States Court of Claims to entertain the overtime-compensation suits of the Alaska Railroad employees against which the statute of limitations had run.

Ray R. Murdock, of the law firm of Seegmiller & Murdock, attorneys of record in the Poggas suit which had been filed on March 19, 1947, wrote letters to Members of the House and the Senate and made personal appearances before congressional committees urging enactment of these bills. He made no effort to hide the fact that he was—as he still is—attorney for the Alaska Railroad employees whose claims would be reinstated by enactment of a law having the effect of waiving the statute of limitations.

The bills which Mr. Murdock urged were passed and became law on November 1, 1949—Public Law 440, Eighty-first Congress, first session.

On July 12, 1950, Murdock was formally put on the payroll of the Senate Labor and Public Welfare Committee. Employment was as a member of the staff of the Subcommittee on Labor-Management Relations. This action was taken on the very same day that the President approved Public Law 608 of the Eighty-first Congress, second session. Public Law 608 waived the conflict-of-interest laws on behalf of Mr. Murdock in order that he might lawfully work for the United States and at the same time work against the United States in the prosecution of the claims of the Alaska Railroad employees.

The waiver was for a 6-month period—July 12, 1950, through December 31, 1950.

The fact that that law expired on December 31, 1950, has made little difference, however. Mr. Murdock has continued in the full-time employ of the Labor-Management Relations Subcommittee. He has a desk and is working for that subcommittee at this very moment—more than 6 months after Public Law 608 expired by its own terms.

It is true that he has not been compensated for his services since the expiration of Public Law 608—that would be illegal unless S. 630, now before us, is enacted into law.

In the period of his employment with the Subcommittee on Labor-Management Relations, Mr. Murdock has not neglected the interests of his private clients, the employees of the Alaska Railroad, whose claims for back overtime compensation were revived for purposes of suit by the enactment of Public Law 440, of November 1, 1949.

On October 24, 1950, while in the employ of the Senate Labor committee and on its payroll, Mr. Murdock filed a suit in the Court of Claims, docket No. 49882, for back overtime compensation for an Alaska Railroad employee.

On October 26, 1950, while in the employ of the Senate Labor Committee and on its payroll, Murdock filed 8 suits against the United States in the Court of Claims. These are dockets Nos. 49887, 49888, 49889, 49890, 49891, 49892, 49893, 49894.

On October 23, 1950, Mr. Murdock filed two more Alaska Railroad employee overtime claim suits—docket Nos. 49902 and 49903.

On April 3, 1951, the United States Court of Claims handed down its judgment in the Poggas case which had been filed by Seegmiller and Murdock on March 19, 1947, and which had been made eligible for suit by waiver of the statute of limitations by the enactment of Public Law 440 of November 1, 1949—the enactment of which was at least partly attributable to the efforts of Mr. Murdock. The judgment was for \$10,506.18. The Poggas case, being in the nature of a test case, indicates, that in all probability that

the whole series of suits I have cited above will also be successful.

With the suits of the Alaska Railroad employees as a precedent, legislation is now before the Congress to waive the statute of limitations with respect to certain overtime compensation claims of employees of the Alaska Highway Commission, the Bureau of the Mint, and certain employees of the Navy. These claims run into millions of dollars.

The bill which would authorize the United States Court of Claims to entertain these suits notwithstanding the fact that the statute of limitations has run against them, is S. 751, Eighty-second Congress, first session.

S. 751 is the successor to S. 1981 which was before the Eighty-first Congress and which died in that Congress. S. 1981 was objected to in the Eighty-first Congress on June 8, 1950, by Senator HENDRICKSON. It was again objected to on August 8, 1950, by Senator SCHOEPPLE.

Ray R. Murdock worked for enactment of S. 1981 in the Eighty-first Congress. He wrote letters to Members of Congress and made personal appearances urging its enactment. In a letter to Senator MAGNUSON, sponsor of S. 1981, dated July 22, 1951, Murdock referred to "our test case, *Poggas v. U. S.*, No. 47652, in the Court of Claims," thus establishing beyond a doubt that at that time at least he was attorney not only for the Alaska Railroad employees but also for the employees whose claims would be re-established for purposes of suit by enactment of S. 1981 of the Eighty-first Congress. As I have said, the successor to that bill in the Eighty-second Congress is S. 751.

I have pointed out that during the last 6 months of the Eighty-first Congress, while S. 1981 was before that Congress, Murdock was in the employ of the Senate—on the payroll of the Senate Committee on Labor and Public Welfare.

During the 6-month life of the Eighty-second Congress, Murdock has been employed by the Senate Committee on Labor and Public Welfare—but without compensation. S. 630, the bill we are now discussing, would make it legal for Murdock to receive pay for that period and would make it legal for him to continue in that status until December 31, 1953—that covers the full 2-year period of the life of the Eighty-second Congress.

The bill in which Mr. Murdock is interested, S. 751, which would authorize suit for additional claims running into many millions of dollars is still before the Senate Judiciary Committee.

MURDOCK AS A REGISTERED LOBBYIST

The law firm of Seegmiller & Murdock, of 1616 I Street NW., Washington, D. C., in which the partners are Ray R. Murdock and Keith L. Seegmiller, registered as lobbyists with the Clerk of the House and the Secretary of the Senate for the first quarter of the calendar year 1947. Their employer was shown as the National Association of County Officials.

That registration has not been renewed nor has it been cancelled. No notice has been filed with the Secretary of the Senate or the Clerk of the House by either Murdock or Seegmiller stating that the lobbying employment previously registered has been terminated.

The Washington, D. C., telephone directory gives the local address of the National Association of County Officials as 1616 I Street NW. The telephone number is National 1607.

The Washington, D. C., telephone directory gives the local address of the law firm of Seegmiller & Murdock as 1616 I Street NW., and gives its telephone number as National 1607.

The Washington telephone directory shows the address of Ray R. Murdock, lawyer, as

1616 I Street NW., and gives his telephone number as National 1607.

These coincidences together with the fact that there is nothing of record to indicate that the employment has been severed at least present a situation which should be refuted.

In any event, it seems to me that the conflict-of-interest laws should not be waived to the benefit of this man in order that he may be put on the payroll of the United States Senate until there is clear, and unmistakable, and affirmative, evidence as a matter of record that he is no longer a registered lobbyist.

Mr. WATKINS. Mr. President, I also ask to have printed in the RECORD at this point as a part of my remarks a paragraph from a letter from the Senator from Nevada [Mr. McCARRAN] to the President of the United States with respect to House bill 2829, which was a bill in behalf of the waiver of the conflict-of-interest clause with respect to the so-called Nimitz Commission.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The statutes which this bill would suspend have been a part of the criminal law for many years. Congress, in revising and codifying the criminal law, has had ample opportunity to delete these statutes from the law, but it has never done so. Members of the Commission who appeared before the committee and the subcommittee acknowledged that these statutes constitute a necessary and desirable safeguard, and I think there can be no question on that score. I have heard no one state that these statutes ought to be removed from the body of the law. Yet the effect of repeated legislative exemptions of persons from the operation of the law serves only as a piecemeal destruction of the statutes. Continued erosion of a worth-while statute by successive exemptions does not of itself justify other and further exemptions. I might point out in that regard that the Internal Security Subcommittee of the Judiciary Committee, whose work is similar to that of the Commission, has not requested exemption from the operation of these statutes for the members of its staff. I do not believe that the lack of such an exemption has prejudiced in any

way the selection of competent staff personnel.

Mr. MORSE. Mr. President, I should like to address a question to the Senator from Maryland [Mr. O'Connor].

Has the Senator from Maryland inserted at any point in the RECORD a copy of a letter which the Senator received from Mr. Murdock under date of July 12, 1951?

Mr. O'CONNOR. Mr. President, I understand that the Senator from Minnesota [Mr. HUMPHREY] has included that letter in the RECORD.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to suspend until August 15, 1951, the application of certain Federal laws with respect to an attorney employed by the Senate Committee on Labor and Public Welfare."

The bill (S. 630) as passed is as follows:

Be it enacted, etc., That service or employment of Ray R. Murdock as an attorney on a temporary basis prior to August 15, 1951, to assist the Senate Committee on Labor and Public Welfare or any of its duly authorized subcommittees shall not be considered as service of employment bringing such person within the provisions of sections 281, 283, or 284 of title 18 of the United States Code, or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of service, or the payment or receipt of compensation in connection with any claim, proceeding, or matter now pending in court and involving the United States.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATIONS, 1952

Mr. McFARLAND. Mr. President, I move that the Senate proceed to the consideration of House bill 3282, the Treasury and Post Office Departments appropriation bill.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 3282) making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank of Washington for the fiscal year ending June 30, 1952, and for other purposes.

Mr. WHERRY. Mr. President, as I understand, the bill was reported before midnight, so that it has been on the calendar a full day.

Mr. McFARLAND. Yes.

Mr. WHERRY. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arizona [Mr. McFARLAND].

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

RECESS

Mr. McFARLAND. I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 15 minutes p. m.) the Senate took a recess until tomorrow, Friday, July 20, 1951, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 19 (legislative day of June 27), 1951:

IN THE NAVY

The following-named line officers for temporary appointment to the grade of rear admiral in the Navy, subject to qualification therefor as provided by law:

Ralph Earle, Jr.	Rufus E. Rose
Nell K. Dietrich	Charles W. Wilkins
Frederick Moosbrugger	Robert L. Campbell, Jr.
Burton Davis	Ralph E. Wilson
Alvin D. Chandler	Elmer E. Yeomans
Irving T. Duke	Wallace M. Beakley
Truman J. Hedding	Ephraim R. McLean, Jr.
Chester C. Wood	
Clarence E. Ekstrom	Richard F. Stout

In the Washington Post of July 20, 1951, with reference to the armistice and cease-fire conference in Korea.

By Mr. JOHNSON of Texas:

Editorials from the Washington Daily News of July 19 and 20, and an editorial from the Washington Star, regarding military housing conditions.

By Mr. BRICKER:

Article entitled "Justice Department and FTC Take Separate Lines on Prices," published in the Washington Evening Star of July 18, 1951.

Editorial entitled "Surplus Heads," published in the Wall Street Journal of July 18, 1951, relating to the efforts of the Government to take inflation out of the building industry.

Article entitled "Losing Our Freedom—Through Treaty," written by James Ratliff, and published in the Cincinnati Enquirer of July 15, 1951.

By Mr. DOUGLAS:

Editorial entitled "A Valley Investigation—Job on Congress," published in the St. Louis Post Dispatch of July 17, 1951, discussing flood control on the Missouri River system, which will appear hereafter in the Appendix.

APPOINTMENT OF CONSERVATORS TO CONSERVE THE ASSETS OF CERTAIN PERSONS

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 11) to provide for the appointment of conservators to conserve the assets of persons of advanced age, mental weakness, not amounting to unsoundness of mind, or physical incapacity, which were to strike out all after the enacting clause and insert:

That if an adult person residing in or having property in the District of Columbia because of old age or imperfection or deterioration of mentality is incompetent to manage his person or estate, or any person because of gambling, idleness, or debauchery so spends or wastes his estate or injures his person as to be likely to expose himself or his family to want or suffering or physical incapacity to properly care for his property, the United States District Court for the District of Columbia may upon his petition or the sworn petition of any person appoint some fit person to be guardian of his property or his person or both.

SEC. 2. The petition shall show—

1. The name and address of the person for whom the guardian is sought;
2. The date and place of his birth, if known;
3. The names and addresses of his spouse, if any, parents, if any, children, if any, or if there be no known spouse, parents, or children, the names and addresses of his nearest kindred;
4. The reasons for the guardianship;
5. The probable value and general character of his real and personal property, and the probable amount of his debts; and
6. The name, age, address, and occupation of the proposed guardian.

SEC. 3. Upon filing such petition, the court shall fix the time and place for hearing thereon and shall cause at least 14 days' notice thereof to be given to the person for whom the guardian is sought to be appointed, if he is not the petitioner, and to such other persons as the court shall direct. The court, in its discretion, may appoint some disinterested person to act as guardian ad litem in any proceeding hereunder.

SEC. 4. Upon proof of the petition the court shall appoint one or two persons suitable and competent to discharge the trust as general guardians of the person or estate or of both.

SEC. 5. Such guardian before entering upon the discharge of his duties shall execute an undertaking with surety to be approved

by the court in such maximum amount as the court may order, conditioned upon the faithful performance of his duties as such guardian, and he shall have control of the estate, real and personal, of the person for whom he has been appointed guardian and of the person, if the court so directs, with power to collect all debts due such person, and upon approval of the court, to adjust and settle all accounts owed by him, and to sue and be sued in his representative capacity. He shall apply such part of the annual income and such part of the principal as the court may authorize, of the estate of such person to the support of such person and the maintenance and education of his family and children; and shall in all other respects perform the same duties and have the same rights and powers with respect to the property of such persons as have guardians of the estates of infants.

SEC. 6. When any person for whom a guardian has been appointed under the provisions of this act shall become competent to manage his property, he may apply to such court to have such guardian discharged and to be restored to capacity. If the court finds him to be competent, an order shall be entered restoring the care and control of his property to such person and the court shall direct that he be restored to capacity. The court shall have the same powers with respect to the property and person for whom a guardian has been appointed under the provisions of this act as it has with respect to the persons and property of infants under guardianship.

SEC. 7. Upon the filing of a petition as provided by this act, the court may with or without notice of hearing appoint a temporary guardian of the estate of any person hereunder if it deems such action necessary for the protection of such estate, subject to the provisions for an undertaking contained in section 5 hereof. Such temporary guardian shall serve only until such time as a permanent guardian can be appointed or until sooner discharged.

SEC. 8. Lis pendens: Upon the filing of a petition hereunder, a certified copy of such petition may be filed for record in the office of the Recorder of Deeds of the District of Columbia. If a guardian be appointed on such petition, all contracts, except for necessities, and all transfers of real and personal property made by the ward after such filing and before the termination of the guardianship shall be void.

And to amend the title so as to read: "An act to provide for the appointment of guardians of adult persons who because of old age or deterioration of mentality are incompetent to manage their person or estate, or of any person who because of gambling, idleness, or debauchery so spends or wastes his estate or injures his person as to be likely to expose himself or his family to want or suffering."

Mr. NEELY. Mr. President, I move that the Senate disagree to the amendments of the House, ask a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the Vice President appointed Mr. PASTORE, Mr. SMITH of North Carolina, and Mr. BUTLER of Maryland conferees on the part of the Senate.

OFFER OF AID BY THE BRITISH GOVERNMENT IN CONNECTION WITH FIRES AND FLOODS IN KANSAS AND MISSOURI

Mr. MCFARLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a copy of a

message which has been received by the State Department from the British Embassy in Washington, offering help on the part of His Majesty's Government in the United Kingdom and the British people to the flood-stricken areas in Kansas and Missouri.

There being no objection, the message was ordered to be printed in the RECORD, as follows:

BRITISH EMBASSY,

Washington, D. C., July 19, 1951.

His Majesty's Ambassador for the United Kingdom presents his compliments to the Secretary of State and has the honor to inform him that he has been instructed by His Majesty's Principal Secretary of State for Foreign Affairs to inquire whether there is any aid which His Majesty's Government in the United Kingdom and British people can give to those who have been afflicted by the disastrous fires and floods which have recently occurred in the States of Kansas and Missouri. Sir Oliver Franks would be grateful if Mr. Acheson would let him know what suggestions the United States administration wish him to transmit to His Majesty's Government in the United Kingdom.

THE PRESS AND HUMAN RIGHTS—EDITORIAL FROM THE NEW YORK TIMES AND STATEMENT BY SENATOR BRICKER

Mr. BRICKER. Mr. President, in order not to delay the debate upon the pending appropriation bill, I ask unanimous consent that there may be printed in the body of the RECORD an editorial from the New York Times entitled "The Press and Human Rights," dealing with a speech which I made on the floor of the Senate this week, and that there may also be printed, following the editorial four pages of discussion on the part of the Senator from Ohio.

There being no objection, the editorial and statement were ordered to be printed in the RECORD, as follows:

THE PRESS AND HUMAN RIGHTS

Senator BRICKER of Ohio has found in the proposed United Nations Covenant on Human Rights a clause which seems to him to menace the freedom of the press. The first two paragraphs of article 14 of this agreement assert everyone's right to hold and express opinions. The third paragraph appears to Senator BRICKER to take back what is said in the first two. It states:

The right to seek, receive, and impart information and ideas carries with it special duties and responsibilities and may therefore be subject to certain penalties, liabilities and restrictions, but these shall be such only as are provided by law and are necessary for the protection of national security, public order, safety, health or morals, or of the rights, freedoms or reputations of others.

As far as the United States is concerned this third paragraph, one must concede, is at best superfluous. One can think of other countries—Argentina, for example—in which it might be used to suppress free newspapers.

However, we might as well be frank about the Covenant on Human Rights, or any similar document. No such covenant can be enforceable law, except as each of the participating nations cares to make it such. The United Nations could not proceed against the United States for ignoring paragraph 3 and giving its newspapers too much freedom; nor is there machinery for proceeding against Argentina for watering down paragraphs 1 and 2 and giving its newspapers too little freedom.

Senator MORSE, for once agreeing with Senator BRICKER, suggested that if the debatable clause should appear in treaty form before

the Senate it should be amended by incorporating the first amendment to the American Constitution. There could be no harm in that. But we don't believe that the BRICKER intimation that a passel of foreigners are after our basic liberties is sound.

STATEMENT BY SENATOR BRICKER

I desire to read into the RECORD an editorial from today's New York Times entitled "The Press and Human Rights" and comment very briefly on some of the conclusions reached. The editorial is as follows:

"Senator BRICKER, of Ohio, has found in the proposed United Nations Covenant on Human Rights a clause which seems to him to menace the freedom of the press. The first two paragraphs of article 14 of this agreement assert everyone's right to hold and express opinions. The third paragraph appears to Senator BRICKER to take back what is said in the first two. It states:

"The right to seek, receive, and impart information and ideas carries with it special duties and responsibilities and may, therefore, be subject to certain penalties, liabilities, and restrictions, but these shall be such only as are provided by law and are necessary for the protection of national security, public order, safety, health, or morals, or of the rights, freedoms, or reputations of others."

"As far as the United States is concerned this third paragraph, one must concede, is at best superfluous."

I will not concede that article 14 (3) of the covenant is superfluous as far as the United States is concerned. It would enable the Congress, and the President during emergency periods, to impose limitations on freedom of speech and of the press which are now prohibited by the first amendment to the Constitution of the United States. The third paragraph of article 14 of the covenant is superfluous only to the extent that the first amendment is.

The editorial continues:

"One can think of other countries—Argentina, for example—in which it might be used to suppress free newspapers."

I agree that the language of the third paragraph of article 14 of the covenant could be employed by Argentina, and even by Czechoslovakia, to suppress the liberty of the press. It seems obvious, however, that the language which would justify suppression of newspapers in Argentina or Czechoslovakia would also justify the suppression of American newspapers.

The New York Times editorial then continues as follows:

"However, we might as well be frank about the Covenant on Human Rights, or any similar document. No such covenant can be enforceable law, except as each of the participating nations cares to make it such."

I agree that article 14 (3) of the proposed Covenant on Human Rights is not self-executing and that it would not become enforceable law until implemented by signatories of the covenant. The New York Times editorial proceeds on the false assumption that the Covenant on Human Rights cannot endanger our basic liberties because of the fact that the United Nations has no enforcement powers. The real danger, however, does not lie in the prospect of United Nations or some other form of international enforcement. The danger is that at some time the President or the Congress would seize upon article 14 of the covenant as the authority for restricting freedom of speech and of the press.

The Times editorial then states:

"The United Nations could not proceed against the United States for ignoring paragraph 3 and giving its newspapers too much freedom; nor is there machinery for proceeding against Argentina for watering down paragraphs 1 and 2 and giving its newspapers too little freedom."

The fallacy in this statement is that paragraphs 1 and 2 cannot be isolated from paragraph 3. Paragraphs 1 and 2 of article 14 ostensibly guarantees freedom of speech and of the press but paragraph 3 completely nullifies those rights by its provisions for "special duties and responsibilities" and "certain penalties, liabilities and restrictions."

In my speech of last Tuesday I did not discuss the subject of enforcement of the covenant by the United Nations. I directed my remarks almost exclusively toward the fact that the covenant, if ratified as a treaty, would permit the Congress or the President to take action which is now prohibited by the Constitution of the United States.

The next two sentences of the Times editorial read as follows:

Senator MORSE, for once agreeing with Senator BRICKER, suggested that if the debatable clause should appear in treaty form before the Senate it should be amended by incorporating the first amendment to the American Constitution. There could be no harm in that."

As to those statements I would first like to say that this is not the first time I have found myself in agreement with the distinguished junior Senator from Oregon. The statement that there could be no "harm" in incorporating the first amendment as a reservation to article 14 (3) of covenant is quite surprising. If the guarantees of the first amendment are to be preserved, it is vitally necessary. As I pointed out in my speech last Tuesday, other basic liberties protected by the Bill of Rights are also threatened by the proposed covenant. In order to preserve those liberties it would be necessary to incorporate in the proposed covenant as a reservation a substantial part of the Constitution of the United States. While it thus might be possible to protect our own freedoms in approving the proposed covenant, I question the wisdom of participating in a treaty which denies to other peoples of the world the basic liberties which are guaranteed to us by the Constitution. The last sentence of the editorial is:

"But we don't believe that the BRICKER intimation that a passel of foreigners are after our basic liberties is sound."

That statement is a complete distortion of my remarks in the Senate last Tuesday. I have not accused any "passel of foreigners" of seeking to nullify our basic liberties by means of the proposed United Nations Covenant on Human Rights. I emphasized the fact that the threat to our cherished freedoms stems not from foreigners, but from Americans in the State Department and the United Nations who, wittingly, or otherwise, are seeking to alter the Constitution of the United States. While I sometimes disagree with editorials which appear in the New York Times, I have seldom seen an editorial of that great newspaper which fails so completely to comprehend the point in issue.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATIONS, 1952

The VICE PRESIDENT. The Chair lays the unfinished business before the Senate which is House bill 3282, the Treasury and Post Office Departments appropriation bill.

The Senate resumed the consideration of the bill (H. R. 3282) making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank of Washington for the fiscal year ending June 30, 1952, and for other purposes.

The VICE PRESIDENT. The Secretary will state the first committee amendment.

The LEGISLATIVE CLERK. Under the heading "Title I—Treasury Department—Office of the Secretary—Salaries and expenses," on page 2, line 6, after the word "operators", it is proposed to strike out "\$2,400,000" and insert "\$2,565,278, of which not to exceed \$2,255,712 shall be available for personal services."

Mr. WHERRY. Mr. President, I wonder if the distinguished majority leader would permit the suggestion of the absence of a quorum.

Mr. McFARLAND. Yes. I am anxious that we may proceed as quickly as possible with consideration of the bill.

Mr. WHERRY. I also am anxious that we proceed with consideration of the bill. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Anderson	Hennings	Morse
Benton	Hill	Mundt
Bricker	Hoey	Murray
Butler, Md.	Holland	Neely
Butler, Nebr.	Hunt	Nixon
Byrd	Johnson, Colo.	O'Connor
Capehart	Johnson, Tex.	O'Mahoney
Carlson	Johnston, S. C.	Robertson
Case	Kefauver	Russell
Chavez	Kem	Saltonstall
Clements	Kerr	Schoeppel
Cordon	Kilgore	Smith, Maine
Dirksen	Knowland	Smith, N. C.
Douglas	Langer	Stennis
Duff	Lehman	Taft
Dworshak	Magnuson	Thye
Eastland	Malone	Underwood
Ecton	Maybank	Watkins
Ferguson	McCarthy	Wherry
Flanders	McFarland	Williams
Frear	McKellar	Young
Hayden	Millikin	
Hendrickson	Monroney	

Mr. JOHNSON of Texas. I announce that the Senator from Texas [Mr. CONNALLY], the Senator from Georgia [Mr. GEORGE], and the Senator from Arkansas [Mr. McCLELLAN] are absent by leave of the Senate.

The Senator from Louisiana [Mr. ELLENDER], and the Senator from Nevada [Mr. McCARRAN] are absent by leave of the Senate on official business.

The Senator from Arkansas [Mr. FULBRIGHT], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Louisiana [Mr. LONG], the Senator from Michigan [Mr. MOODY], and the Senator from Rhode Island [Mr. PASTORE] are absent on official business.

The Senator from Iowa [Mr. GILLETTE], the Senator from Rhode Island [Mr. GREEN], the Senator from Connecticut [Mr. McMAHON], and the Senator from Alabama [Mr. SPARKMAN] are absent by leave of the Senate on official business of the Committee on Foreign Relations.

The Senator from Florida [Mr. SMATHERS] is absent because of illness.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN] is absent because of a death in his family.

The Senator from Maine [Mr. BREWSTER], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Massachusetts [Mr. LODGE], the Senator from New Jersey [Mr. SMITH], and the Senator from Wisconsin [Mr. WILEY]

are absent by leave of the Senate on official business of the Committee on Foreign Relations.

The Senator from Washington [Mr. CAIN] is absent by leave of the Senate.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from Utah [Mr. BENNETT], the Senator from New York [Mr. Ives], the Senator from Pennsylvania [Mr. MARTIN], and the Senator from Idaho [Mr. WELKER] are absent on official business.

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness.

The VICE PRESIDENT. A quorum is present.

The question is on agreeing to the first committee amendment.

Mr. FERGUSON. Mr. President, I ask unanimous consent that in connection with the pending measure, House bill 3282, the Treasury and Post Office Departments appropriation bill, which also makes funds available for the Export-Import Bank, I may be privileged to offer an amendment which will affect the committee amendments on page 2, lines 7 and 8, on page 2, line 16, on page 3, lines 8 and 9, on page 4, line 4, and on page 10, lines 12 and 13, relating to the Bureau of the Mint; and then another amendment which would affect page 15, lines 1 and 2.

In view of the parliamentary situation, even if the committee amendments at the places indicated are adopted, I ask that the privilege be given to amend those amendments by two amendments, one of them covering all but the item on page 15, line 2. I am sure a great deal of time could be saved by proceeding in that way.

The VICE PRESIDENT. Is there objection to the request of the Senator from Michigan?

Mr. KILGORE. Mr. President, reserving the right to object, I may say that, as I understand, the Senator wants to have the rules suspended for the purpose stated. Is that correct?

Mr. FERGUSON. I beg the Senator's pardon; I did not understand his question.

Mr. KILGORE. The unanimous consent request was for a suspension of the rule in order to amend an amendment by an over-all amendment at the end of the bill, was it not?

Mr. FERGUSON. The request was that as to the first four committee amendments mentioned, even though they are adopted, I may be permitted to move to amend them, and with respect to my other amendment which has to do with the Post Office Department, that action be delayed on the committee amendment on page 15, line 2, in order that I may propose an amendment to it. The proposed amendment is now in the hands of the legislative drafting service, and the amendment will be offered as soon as it is possible to bring it to the floor.

Mr. KILGORE. Mr. President, still reserving the right to object, I say that the amendments which are being offered are very difficult of definition. In fact,

attempts were made in the full committee to work out some kind of definition. As I recollect, the last amendment of the Senator from Michigan would have to do with administrative actions of the Post Office Department. Am I not correct in that? I ask the Senator from Michigan whether the amendment would not have to do with the administrative functions of the Department?

Mr. FERGUSON. Yes. The Senator from Michigan can advise the Senator that what he proposes to do through this amendment is to apply to the items affected the 10-percent principle which has already been approved by the Senate. I recognize the cogency of what the Senator from West Virginia says about there being some difficulty in knowing what administrative expenses are; but we can work that out in the course of the debate.

Mr. McFARLAND. Mr. President, I see no objection to the percentage-wise amendments being voted on en bloc. Rather than voting separately, item by item, we might save time by voting on them en bloc. But I want it understood that we are going ahead with this bill as rapidly as possible, and that we are not going to postpone until any particular time the consideration of the bill. I see no harm in passing over, temporarily, the one item to which the Senator from Michigan has referred, in order to accommodate him, provided that passing it over temporarily will not have the effect of delaying consideration of the bill.

Mr. ROBERTSON. Mr. President, I received a letter recently from a valued constituent, expressing disappointment and real concern over the fact that the Senate was making such slow headway with important legislation. It was necessary to pass resolutions continuing appropriations because of the failure to enact the appropriation bills for the current fiscal year. It was necessary to pass a continuing resolution because of the failure to enact a new defense production bill before the old law expired. We are not even halfway through congressional action on the appropriation bills. Thus far, as I recall, the Senate has completed action on but 3 out of 14 such bills; and the conference reports on those 3 have not even come before the Senate. I shall not object to this request.

Mr. FERGUSON. The proposal I am submitting would not have the effect of delaying action at all.

Mr. ROBERTSON. I do not say it would, and I am not going to object; but I merely call attention to the fact that, when an appropriation bill comes to the Senate which should be passed within 2 or 3 days, it requires a week or 10 days. When a simple amendment is offered, frequently it is discussed at great length, and then extraneous subjects are injected into the debate and discussed, delaying the consideration of an appropriation bill for an hour or two.

I feel the time has come when Members of the Senate should realize the gravity of the situation in which we are placed. They should realize the problems which confront the Committee on Finance in connection with a tremendous

tax bill, and the desire of that committee to know to what extent economies are to be effected.

A bulletin was issued this week by the Washington Research Bureau of the State Chambers of Commerce, showing that, in the eight appropriation bills on which the House has acted, and on which the Senate has partially acted, there have been effected in domestic spending savings of but \$1,300,000,000 plus.

Everyone knows that when Congress met in January there were those who said we must cut domestic spending by \$6,000,000,000; some said that we must cut it by \$9,000,000,000. What is the score today? Government spending has been reduced less than \$2,000,000,000. Unless we make very drastic cuts in foreign aid, all but \$1,500,000,000 of which is for military purposes, and also cut the military defense budget, we shall not arrive ultimately at a saving of more than \$2,000,000,000 or \$2,500,000,000 in the tremendous budget upon which we are acting. There are two other domestic bills to be acted on, besides those.

Mr. KEM. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield to the Senator from Missouri.

Mr. KEM. I should like to ask the Senator from Virginia if there is not \$2,250,000,000 for nondefense spending in the foreign-aid bill?

Mr. ROBERTSON. There may be some point 4 money, with which I am not familiar; but the ECA money proper, I think, amounts to about \$1,500,000,000; and, personally, I think that can be very substantially reduced. I do not believe we need to appropriate rehabilitation money for Europe, except in the case of Germany, where there is a terrific refugee problem, the number of refugees approaching 10,000,000, not 10 percent of whom are workers; they are old people and children. Some relief money is needed in Greece; there may be a limited need of relief money in Austria. But outside of those cases, Europe is in better shape, by far, both from the standpoint of the standard of living and from the standpoint of productive capacity, than Europe was before World War II. Europe should now be able to stand on its own bottom. Let us now put our limited resources into the war effort. That is where our mutual interest lies.

Mr. KEM. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield to the Senator from Missouri.

Mr. KEM. I wish to associate myself with what the Senator from Virginia has said. I am very glad he has said it. I should like to ask him this question: When we learn of the great flood in the central part of the United States, which amounts to a national disaster, does it not seem ironical to the Senator from Virginia that the ECA should be engaged presently in a water project in the Portuguese East Africa; in draining the Zuider Zee, in Holland; pumping on a large scale in Thailand, and in similar spending schemes elsewhere in the world?

Mr. ROBERTSON. The Senator from Virginia is not familiar with those

projects. There may be certain projects of that character, but I cannot imagine much money is being spent on them. The object of the Senator from Virginia in reserving the right to object—and he frankly says he is not going to object—is to urge his colleagues in the Senate to cooperate with the Senate Committee on Appropriations in passing these vital appropriation bills without unnecessary and undue delay.

The VICE PRESIDENT. Is there objection to the request of the Senator from Michigan? The Chair hears none, and it is so ordered.

Mr. KILGORE. Mr. President, reserving the right to object to the request, I have a few more words to say.

The VICE PRESIDENT. The Chair put the question, and there was no objection.

Mr. KILGORE. I may say that there was so much commotion that I did not hear the Chair put the question. However, I will waive objection, and let the request be agreed to.

Mr. McFARLAND. Mr. President, reserving the right to object, I do not believe I understand the request. In the case of one item the request is that it go over. As to offering amendments covering several items, and voting on them en bloc I have no objection; but I do not think the request should be made that an item go over. I am sure the Senator from West Virginia will be willing to pass over an item temporarily to meet the convenience of any Senator.

Mr. KILGORE. Mr. President, if the Senator will yield—

Mr. SALTONSTALL. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. SALTONSTALL. It is my understanding that the Chair put the question on agreeing to the unanimous-consent request. Does the Chair now, in view of the uncertainty or misunderstanding, withdraw his announcement?

The VICE PRESIDENT. The Chair put the request and announced there was no objection and that it was so ordered. But the Senator from West Virginia, who is in charge of the bill, indicated that he had been conversing with the Senator from Michigan at the time the Chair put the question; and the Chair withdraws his announcement.

Mr. FERGUSON. If the Senator from West Virginia has no objection, I think it will work out.

The VICE PRESIDENT. The Senator from West Virginia later withdrew his objection.

Mr. McFARLAND. Mr. President, I should like to have the unanimous-consent request restated.

The VICE PRESIDENT. There were two separate requests, one of which involves merely that an item on page 15 go over.

Mr. McFARLAND. I would have objection to that at this time. To the other one I do not object.

Mr. FERGUSON. Then I shall take up the item on page 15, line 2, when we reach it.

The VICE PRESIDENT. Is there objection to the first request? The Chair hears none.

Mr. DOUGLAS. Reserving the right to object, I have an amendment which would reduce the item on page 2, line 16. Do I correctly understand that the Senator from Michigan—

The VICE PRESIDENT. The request of the Senator from Michigan involves committee amendments from page 2 to page 9, inclusive. The request was that the Senator be permitted to offer one amendment to cover those items, and have the Senate vote on them en bloc. Is there objection to the request? The Chair hears none, and it is so ordered.

Let the Chair make clear the situation with reference to the request of the Senator from Michigan. It has been suggested that the amendments involved in the agreement are passed over. The Chair did not so understand the situation. It has also been suggested that the amendments will have to be acted upon, and if they are agreed to, the Senator from Michigan may offer one amendment covering all of them. That is not the way the Chair understands the situation.

Mr. SALTONSTALL. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. SALTONSTALL. What is the question now before the Senate?

The VICE PRESIDENT. The first committee amendment was read, after the reading of which the Senator from Michigan made a unanimous-consent request which includes the proposition that although the amendments may have been agreed to in the meantime, he may offer an amendment.

Mr. FERGUSON. That is correct.

Mr. SALTONSTALL. So that the agreement did not contemplate that these amendments should be passed over.

Mr. FERGUSON. That is correct.

The VICE PRESIDENT. The question now is on agreeing to the first committee amendment.

The amendment was agreed to.

The VICE PRESIDENT. The clerk will state the next committee amendment.

The next amendment was, under the subhead "Bureau of Accounts—Salaries and Expenses," on page 2, line 16, after the word "services", to strike out "\$1,850,000" and insert "\$2,050,000", and in line 18, after the word "of", to strike out "withheld."

The VICE PRESIDENT. The question is on agreeing to the committee amendment on page 2, line 16.

Mr. DOUGLAS. Mr. President, I send to the desk an amendment directed to page 2, line 16.

The VICE PRESIDENT. The amendment offered by the Senator from Illinois will be stated.

The LEGISLATIVE CLERK. On page 2, line 16, it is proposed to strike out "\$2,050,000" and insert in lieu thereof "\$1,850,000."

The VICE PRESIDENT. The Senator's amendment would merely restore the House figure. The question is on agreeing to the amendment of the committee, which changes the figure.

Mr. DOUGLAS. May I be permitted to speak on that subject?

The VICE PRESIDENT. The Senator is recognized, but it is not necessary to offer an amendment.

Mr. DOUGLAS. I thank the Presiding Officer.

Mr. President, the Williams subcommittee of the House Postoffice and Civil Service Committee made a very careful study of the work of a number of executive departments, including the Bureau of Accounts. On the whole it gave an unfavorable verdict on the efficiency of the Bureau of Accounts. It reported that it had too many forms, that it had not adopted modern accounting procedure, and that it had not adopted modern machinery so that some of the work could be mechanized, instead of being done by hand. The Williams subcommittee therefore recommended that 817 jobs be eliminated from the Bureau. If we follow that recommendation, we would save approximately \$250,000.

The Williams proposals were in effect substantially adopted by the House, and therefore, I fail to see any reason, although there may be reasons, why the decision of the House should be reversed and why the figure should be increased.

I request unanimous consent to have inserted in the RECORD at this point the report of the Williams committee on the Bureau of Accounts.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

BUREAU OF ACCOUNTS

Principal improvements in the Bureau of Accounts will result from the adoption of changes in the warrant system. Some of the faults of the present system with suggested changes which will result in a reduction in personnel follow:

According to section 147 of title 31 of the United States Code:

"The Treasurer shall receive and keep the moneys of the United States, and disburse the same upon warrants drawn by the Secretary of the Treasury, countersigned in the General Accounting Office, and not otherwise. He shall take receipts for all moneys paid by him, and shall give receipts for all moneys received by him; and all receipts received by him shall be endorsed upon warrants signed by the Secretary of the Treasury, without which warrant, so signed, no acknowledgment for money received into the public Treasury shall be valid."

The basic system of accounts in the Treasury is based upon this statute. The fundamental principles set forth are sound. The present volume of transactions has outgrown this procedure. Under recent enabling legislation, promising procedural economies can be attained.

COVERING WARRANT

The Treasurer of the United States is responsible for both covered and uncovered money placed to his accounts in the depository banks. In view of the integrity of the Federal Reserve Bank System and of the Treasurer, it would seem that a periodic statement of these deposits would suffice to insure the proper and accurate handling of these receipts. The outmoded covering warrant could and should be eliminated. The preparation and distribution of the several registers based on the covering warrant could likewise be simplified or eliminated.

APPROPRIATION WARRANT

The appropriation warrant is merely an instrument by which the Secretary of the Treasury notifies the Treasurer that the Congress has authorized the expenditure of a certain amount of money for a particular purpose. A simple letter or other interoffice

communication could serve this purpose. The accounts of the Treasurer, the Bureau of Accounts and the operating agency could be established by this authority. To be entirely realistic and practical, why should even a letter be needed for this purpose when the authority is written in the law for all to read and be governed accordingly?

ACCOUNTABLE WARRANT

The accountable warrant is a form with which the Treasurer transfers a predetermined amount of the general fund to the checking account of a disbursing officer. The Treasurer remains accountable for the funds even though they may have been transferred to a disbursing officer under separate and additional accountability. Accountability for the same funds is duplicated in the Bureau of Accounts, the General Accounting Office and in the operating agency requesting the transfer.

With proper appropriation and apportionment control, the accountable warrant becomes unnecessary. The money could be transferred in a lump sum equal to a total periodic apportionment. Supporting entries could then be made in the accounts of all concerned. Further suggestions on this subject are contained in the section of this report devoted to the Division of Disbursement.

While the modernization of the warrant system will improve the utilization of personnel, there are several other points in the Bureau of Accounts which need immediate attention as follows:

The accounting systems staff does not have sufficient authority to develop and install accounting improvements in the Treasury. Its services are only advisory. It is not fully recognized or used by the other bureaus of the fiscal service.

The Division of Bookkeeping and Warrants keeps too many detailed accounts. All of their accounts, except those used for central control and general ledgers, should be eliminated.

A large portion of the time of the employees of the Reports Division is spent in unnecessary tabulations and the analyses and presentation of reports. All reports, except those required by law or necessary to the administration of the fiscal accounting system of the Government, should be discontinued.

The Bureau of Accounts should only be responsible for accounting functions; yet, it carries on investment activities which should be located more properly in the Office of the Treasurer or the Bureau of the Public Debt. Its Division of Deposits which deals in the designation and control of depository banks and the administration of the Losses in Shipment Act, should likewise be transferred to and consolidated with similar functions of the Treasurer.

TABLE 12.—Present and proposed staffing for the Bureau of Accounts in the fiscal service of the Department of the Treasury

Organizational Identity	Number of employees		
	Present	Estimated after improvements	Estimated savings
Bureau of Accounts:			
Office of Commissioner.....	17	16	1
Administrative Division.....	77	57	20
Accounting Systems Staff.....	23	40	-17
Division of Bookkeeping and Warrants.....	66	58	8
Division of Financial Reports.....	40	37	3
Division of Investments.....	31	29	2
Division of Deposits.....	17	17	0
Division of Surety Bonds.....	9	30	-21
Division of Disbursement.....	3,170	2,349	821
Total.....	3,450	2,633	817

Mr. KILGORE. Mr. President, the report of the William committee was considered and investigated by the Appropriations Committee of the House and was found to be very inaccurate, being based upon only a few hours' study of the Bureau of Accounts, together with other agencies. The House, however, reduced the budget estimate \$45,000. I do not criticize the distinguished Senator from Illinois for using the Williams report, except that it should be stated that it was found to be inaccurate. The Senate Appropriations Committee restored a cut which had been made on the floor of the House based upon the report which the House Committee on Appropriations says is inaccurate. So we went along with the House committee on a cut of \$45,000, and restored the \$200,000.

Fifty percent of the Bureau's work is in connection with uncontrolled accounts in cases in which they have to pay Federal Reserve banks. They have also taken over a part of the work of the General Accounting Office, and their work includes the Division of Disbursement for the entire Treasury Department. The work has been increased tremendously; and the Senate committee merely concurred with the House Appropriations Committee in its study of the bill and in its recommendations.

I hope the committee amendment will be sustained by the Senate.

The VICE PRESIDENT. The question is on agreeing to the committee amendment on page 2, line 16.

The amendment was agreed to.

The VICE PRESIDENT. The Secretary will state the next committee amendment.

The next amendment was, under the subhead "Salaries and expenses, Division of Disbursement," on page 2, line 22, after the word "Disbursement", to strike out "\$11,050,000" and insert "\$11,775,000."

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of the public debt—Administering the public debt," on page 3, line 8, after the word "charged", to strike out "\$49,000,000" and insert "\$51,993,704, of which not to exceed \$17,219,616 shall be available for personal services."

The amendment was agreed to.

The next amendment was, under the subhead "Office of the Treasurer—Salaries and expenses," on page 4, line 4, after the word "Treasurer", to strike out "\$20,500,000" and insert "\$20,868,165, of which not to exceed \$4,404,868 shall be available for personal services."

The amendment was agreed to.

The next amendment was, under the subhead "Contingent expenses, public moneys," on page 4, line 9, after the word "States", to strike out "\$475,000" and insert "\$500,000."

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Customs—Salaries and expenses," on page 4, line 25, after the word "exceed", to strike out "\$1,000,000" and insert "\$1,086,930"; and on page 5, line 3, after "(19 U. S. C. 1525)", to strike out "\$36,825,000" and insert "\$37,949,700."

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Internal Revenue—Salaries and expenses," on page 5, line 18, after the word "vehicles", to insert "and in addition to the number of passenger motor vehicles provided for herein, the Bureau may use not to exceed 20 passenger motor vehicles acquired through seizure as provided for by law," and on page 6, line 7, after "(26 U. S. C. 3792)", to strike out "\$252,000,000" and insert "\$255,000,000."

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Narcotics—Salaries and expenses," on page 7, line 12, after the word "justice", to strike out "\$2,025,000" and insert "\$2,100,000."

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Engraving and Printing," on page 7, line 17, after "(Public Law 656)", to strike out "\$3,000,000" and insert "\$3,500,000."

The amendment was agreed to.

The next amendment was, under the subhead "Secret Service Division—Salaries and expenses," on page 8, line 22, after the word "criminals", to strike out "\$2,475,000" and insert "\$2,550,000."

The amendment was agreed to.

The next amendment was, under the subhead "Salaries and expenses, guard force," on page 9, line 10, after the word "ammunition", to strike out "\$400,000" and insert "\$450,000."

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of the Mint—Salaries and expenses," on page 10, line 12, after the word "collection", to strike out "\$4,300,000" and insert "\$4,965,800, of which not to exceed \$4,259,800 shall be available for personal services."

The amendment was agreed to.

The next amendment was, under the subhead "Coast Guard—Acquisition, construction, and improvements," on page 12, line 16, after the word "services", to strike out "\$15,000,000" and insert "\$15,500,000."

The amendment was agreed to.

The next amendment was, under the subhead "Reserve training," on page 13, line 10, after the word "program", to strike out "purchase of not to exceed 11 passenger motor vehicles;" and in line 12, after the word "aircraft", to strike out "\$2,000,000" and insert "\$1,500,000."

The amendment was agreed to.

The next amendment was, under the heading "Title II—Post Office Department—General administration," on page 15, line 2, after the word "certificate", to strike out "\$20,000,000" and insert "\$20,800,000."

The VICE PRESIDENT. That amendment is one of the amendments the Senator from Michigan [Mr. Ferguson] desires to have go over. Without objection, it will be passed over temporarily. The next committee amendment will be stated.

The next amendment was, under the subhead "Postal operations," on page 15, line 14, after the word "service", to strike out "\$1,845,000,000" and insert "\$1,852,100,000."

Mr. DOUGLAS. Mr. President, I send to the desk an amendment to the

committee amendment, which I ask to have stated.

The VICE PRESIDENT. The Secretary will state the amendment.

The LEGISLATIVE CLERK. On page 15, it is proposed to strike out "\$1,852,100,000" and insert in lieu thereof "\$1,816,000,000."

Mr. DOUGLAS. Mr. President, this is a proposal for a reduction of \$36,000,000 in round figures, below the Senate committee figure; a reduction from \$1,852,100,000 to \$1,816,000,000. I may point out that the appropriations for postal operations for the past fiscal year was \$1,793,000,000. The Bureau of the Budget presented a request for an increase of \$73,000,000 over the appropriation of last year, or a 4-percent increase.

The budget estimate of an increase of 4 percent seems to have been based primarily on an estimated increase in volume of 3.7 percent, but I should like to point out that the Post Office and Civil Service Committee has before it a bill, which I hope will be reported favorably and acted upon by the Senate very soon, providing for an increase in postal rates. An increase has long been overdue in second-class rates, third-class rates, and fourth-class rates, because that type of mail has been carried by what is tantamount to a huge subsidy to the magazines, the newspapers, the direct-mail advertisers, and to the mail-order houses. They have been receiving subsidies running into the hundreds of millions of dollars at public expense.

Mr. President, we are now apparently moving, belatedly but I hope surely, in the way of an increase in the postal rates on the classes of mail matter referred to. I am very glad that this is about to occur, and I hope there will be no slip 'twixt the cup and the lip. If the postal-rate bill is enacted the volume of mail, instead of increasing, will diminish, because with the increase in the rates, in the case of fourth-class matter, there will be a shift to express. In the case of second-class matter, there will be a greater amount of direct delivery of newspapers and magazines to areas immediately adjacent to the place of publication. Then, if we increase third-class rates, there will be a considerable shift from direct-mail advertising to other forms of advertising. So it would seem to me highly improbable, if the postal-rate bill should be passed, that there would be an increase in the volume of the mail. On the contrary, all signs point to a decrease. It may be a very appreciable decrease in the cases of second-class matter, third-class matter, and fourth-class matter.

Mr. President, I should like to ask why we should vote money to take care of an increase in volume until we know that there will be such an increase. If in fact an increase in volume follows, then after that has been demonstrated we can vote added money in a supplemental bill, but if we increase the appropriation and there is no increase in volume, there will be no assurance that the money will be returned to the Treasury. On the contrary, we know that in virtually every Government department, when there are unused appropriations toward the end of the fiscal year, in the last 15 days of

June there is a hectic rate of spending. The money has been appropriated and the Government departments spend it. So I would say that if we now appropriate the money and the decrease in volume of traffic occurs, the money will not be returned to the Treasury, but will be spent by the Post Office Department, and the taxpayer will lose.

Mr. President, I am somewhat curious about certain things that have happened in the Post Office Department. The Postmaster General estimated the savings, as the result of curtailment of delivery, at as high as \$80,000,000 a year. I should like to know where those savings have gone. They do not seem to show up in any decrease in the appropriations requested by the Post Office Department. On the contrary, there is a request for an increase. There was a request for an increase of \$73,000,000, although the Postmaster General has said that he saved as much as \$80,000,000 by curtailing services such as cutting deliveries from two a day, in certain general urban areas, to one a day. If \$80,000,000 was saved, then that certainly should afford some leeway to reduce the figure below the amount requested by the Post Office Department and below the amount recommended by the committee.

We seem to get a cut in services from the Post Office Department and an increased request for money. I submit that the Post Office Department is going in opposite directions, requesting more money from the taxpayers, and giving less service to the mail users.

Mr. President, most of us have, I think, read the report of the Hoover Commission on the business organization of the Post Office Department, which criticized very severely the business methods used, the methods of delivering mail, and the types of equipment used. I think it is safe to say, and a very charitable thing to say, that the Post Office Department has dragged its feet on modernization.

Mr. JOHNSTON of South Carolina. Mr. President, I should like to answer that point.

Mr. DOUGLAS. Mr. President, I yield for a question.

Mr. JOHNSTON of South Carolina. There has been a great deal of talk—

Mr. DOUGLAS. Mr. President, who has the floor? I yield for a question, but only for a question.

Mr. JOHNSTON of South Carolina. Mr. President, I should like to ask the Senator a question.

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from South Carolina?

Mr. DOUGLAS. Certainly; I am glad to yield.

Mr. JOHNSTON of South Carolina. I should like to know where the Senator from Illinois obtained his information in regard to the Post Office Department dragging its feet with respect to carrying out the Hoover Commission's recommendations. I should like to have the Senator give me that information at this time, before he criticizes the Department. I am the chairman of the Committee on Post Office and Civil Service, and while I do not always agree

with everything the Post Office Department does, yet, so far as the Hoover Commission report is concerned, I know of very little saving which could have been made which has not already been made by action taken by the Post Office Department.

Mr. DOUGLAS. My good friend and colleague from South Carolina has asked the source of my information. I refer him to House Report No. 272, pages 17 and 18, which goes into this question in some degree.

Mr. JOHNSTON of South Carolina. When was that information gathered?

Mr. DOUGLAS. It was gathered during the past year. It is contained in a report by our sister body.

Mr. JOHNSTON of South Carolina. I should like to know in what particular there could have been savings by carrying out the Hoover report. Let the Senator place his finger on those particulars, and I shall be glad to take them up.

Mr. DOUGLAS. The Hoover report criticizes the Department for not mechanizing the issuance of money orders, and for continuing to write them by hand, instead of mechanizing the operation with IBM machines.

Mr. JOHNSTON of South Carolina. Most of those recommendations have been carried into effect.

Mr. DOUGLAS. But the Department has been very slow in carrying them into effect. Furthermore, according to the House hearings, the installation of new machinery has not resulted in any savings in personnel.

Now, I said the Post Office had dragged its feet. Here is what the House committee said, in part:

The committee still believes, in spite of the testimony on mechanization presented at this year's hearings, that the Post Office Department is still dragging its feet when it comes to the installation of modern mechanical equipment in its large city post offices throughout the country. The committee's interest in improving and expediting the handling of mail in large post offices is well known to the Department, but it is taking too little heed of what the committee has said on this subject in previous reports. Again the committee wishes to restate most emphatically this time, that the Post Office Department must take immediate steps to survey its needs of mechanical equipment and proceed without further delay with a plan which would embrace the complete installation of suitable mechanical equipment in those post offices which have a sufficient volume of mail to justify it.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield for a question.

Mr. KILGORE. Is the Senator from Illinois aware of the fact that in the past few days, since the Department started issuing the new type of postal money order by means of the IBM machines, a flood of forgeries has hit post offices all over the country?

Mr. DOUGLAS. No; I was not aware of that.

Mr. KILGORE. They are very easy to forge, as compared with the old type.

Mr. DOUGLAS. The Senator from South Carolina has asked for other suggestions. There has been developed in the Chicago post office a mechanical system for sorting mail. I have watched

that system. It involves the use of the so-called Sestak machine. It sorts outgoing mail as between various cities. It enables a much smaller force of clerks to do the work. The percentage of accuracy is even higher than that of the old system. It is a thoroughly efficient system. It is in operation in Chicago, but my information is that it has not been very widely applied in other cities of the country where it could be applied.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. JOHNSTON of South Carolina. In reference to that item, I invite the attention of the Senator from Illinois to the fact that we are now trying to get appropriations in this bill to carry that plan into effect in various places.

Mr. DOUGLAS. My point is that if the Post Office Department carries it into effect we shall not need so large an appropriation for clerk hire, and we can allow the total force of the Post Office Department to diminish by not filling all vacancies.

Mr. KILGORE. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I yield for a question.

Mr. KILGORE. Has the Senator gone over the postal installation in Chicago?

Mr. DOUGLAS. I have inspected a large portion of it, and I have watched the Sestak machine in great detail.

Mr. KILGORE. Has the Senator observed the new packaging process there?

Mr. DOUGLAS. No; I have not.

Mr. KILGORE. Has the Senator investigated the increased cost of rental in connection with local distribution out of Chicago to nearby areas, including Gary, Ind.?

Mr. DOUGLAS. No; I have not. But I can certainly testify that the Sestak machine should reduce the number of clerks in large distributing centers by at least one-half.

Mr. KILGORE. Is the Senator aware of the cost of one of the Sestak machines?

Mr. DOUGLAS. I think I have some idea of it. The estimates vary.

Mr. KILGORE. It is \$250,000 for each machine, and there are a number of offices which need them. The pending bill carries \$750,000 for research and development, \$500,000 of which is for placing two more machines in operation as quickly as they can be built. But we shall probably not feel the effect of their use during the current fiscal year.

Mr. DOUGLAS. I do not want to quarrel with my good friend from West Virginia, but it seems to me that \$250,000 for a Sestak machine is a pretty high figure.

Mr. KILGORE. I will say to the Senator from Illinois that I am informed that I was mistaken. The cost is \$30,000 apiece, but it takes a long time to build them. The Senator is no doubt aware that even yet the machine is being modified and improved to try to make it operate much more efficiently than it is now.

Mr. DOUGLAS. I am not yet aware that the Post Office Department has

ever given any award to Mr. Sestak in return for the work he has done. He has made a great contribution to the efficient handling of mail in central offices, and so far as I can tell, his work has been virtually unnoticed, and he has been largely ignored by the Post Office Department. Here is what the House committee said about this situation:

The committee regrets very much the extreme reluctance of the Post Office officials to encourage postal employees to participate in the suggestion system which is being used to advantage by all Government departments and large industrial and commercial firms.

The committee is very disappointed that the Department has, up to this time, failed to make any award to Mr. John Sestak, an employee of the Chicago post office, who designed and constructed a mail distributing machine which has been in use over a long period of time.

It simply is not a healthy condition, contributes little to the morale of the employees, and fails utterly to stimulate their interest, industry, and imagination to say nothing of the failure of the Post Office Department to take advantage of the reduced cost of operations which would naturally and inevitably follow.

The Post Office Department certainly has not shown any alacrity in putting this improvement in the distribution of mail into effect. It is of tremendous importance. In my judgment, it would save tens of millions of dollars a year. That is only one feature.

A familiar sight on every one of our streets is the local postman or the regional postman with a heavy bag of mail on his shoulder. Much of it consists of second-class mail and third-class mail. Why should not the postman have a tricycle? There is no objection to a tricycle with a compartment to carry the heavy mail. That would permit him to cover space in a shorter time. He would not be so tired at the end of the day, and the number of postmen could be reduced.

Furthermore, there was criticism by the Hoover Commission of the type of trucks used by the Post Office Department in the delivery of mail. The Hoover Commission urged the use of vehicles of the wrong weight for the type of job they were doing. A number of other mechanical improvements have been suggested, which the Post Office Department does not seem to wish to carry into effect.

Mr. JOHNSTON of South Carolina and Mr. KILGORE addressed the Chair.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Does the Senator from Illinois yield; and, if so, to whom?

Mr. DOUGLAS. I yield for a question to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. I should like to ask the Senator from Illinois whether or not he has carefully read the bill. I think he will find that in this appropriation bill provision is made for the purchase of trucks. We are trying to get better equipment. That means an increased appropriation at this time, which we hope will reduce the cost over a term of years, but it will not do it immediately.

The same is true of the machines which we are installing. We are buying \$500,000 worth. We hope that they will save money over a term of years, but they will not save money immediately, in this particular appropriation. It costs money to install machinery.

Mr. DOUGLAS. I notice that the bill carries an appropriation of approximately \$11,500,000 for the purchase of trucks, tractors, and trailers. But I point out—

Mr. KILGORE. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I yield for a question.

Mr. KILGORE. The Senator is aware, is he not, that \$5,000,000 of that sum is for trucks alone? The Senator is possibly not aware that a subcommittee visited the Chicago post office and found that, contrary to the Hoover Commission report, the trucks in use were too heavy for the type of work for which they were needed. The subcommittee found the Post Office Department using a smaller cargo truck. The department was using tractor trailers, with three trailers to each tractor, to handle heavy loads and to expedite the mail. So in that respect the department is not dragging its feet a bit.

Mr. DOUGLAS. Mr. President, I think it might help if we got a general view of what I am proposing.

I am proposing a figure which is \$23,000,000 higher than last year. It includes an allowance of \$11,500,000 for mechanization, of which the Senator from South Carolina speaks. It includes an allowance of \$11,500,000 for automatic pay increases.

All these improvements could go into effect. I merely ask, in view of the possibility that the volume of mail may not increase next year, and may in fact, decrease because of increased postal rates, why we should appropriate an increased amount of money. Why should we appropriate nearly \$60,000,000 more than last year? If there is an increased volume of mail, and it proves impossible to obtain these economies, we can meet the situation with a deficiency appropriation later. But is there not a certain value in sticking a pin into the Post Office Department to spur it on to increased efficiency, when certainly its record up to date has not been a glowing one? Why should we vote them a blank check?

Mr. LANGER and Mr. SALTONSTALL addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Illinois yield, and if so, to whom?

Mr. DOUGLAS. I yield first to my good friend from North Dakota, who, I know, has a bomb which he wishes to plant under me.

Mr. LANGER. Mr. President, I wish to compliment the distinguished Senator from Illinois on the very fine job he is doing in trying to reduce the appropriations of the Post Office Department. However, instead of sticking a pin into them, I suggest a good sharp spike.

Mr. DOUGLAS. In me or in the appropriations? [Laughter.]

Mr. LANGER. In the appropriations.

Mr. DOUGLAS. I am delighted to have the ranking minority member of the Committee on Post Office and Civil Service join forces with me. I thought he was going to oppose my proposal.

Mr. LANGER. Oh, no. I should like to invite the attention of the distinguished Senator from Illinois to the fact that, in my opinion, at least, the Post Office Department is perhaps the least efficiently operated department in the entire Government.

I should also like to invite the attention of the distinguished Senator from Illinois to the fact that after World War II, when the Government had \$106,000,000 worth of surplus property on its hands, a law was passed which provided that any Federal Government department could get some of the surplus property almost for nothing. All they had to do was to apply for it. For example, they could get a great deal of machinery, typewriters, adding machines, and trucks for the sum of \$1. The record shows that the Post Office Department did not do anything to take advantage of that law passed by Congress, which enabled any Government department to get that kind of material almost for nothing. What happened? We found that private enterprises, like Gimbel Bros. in New York, which deals, among other things, in ladies' underwear, bought 600 trucks, which had not even been unpacked, at the rate of \$1,900 apiece, and then sold them, still unpacked, at \$1,000 profit on each truck.

We brought that fact to the attention of the Post Office Department. The distinguished Senator will remember that former Senator Mead, of New York, conducted an investigation and discovered that such a profit had been made by Gimbels in New York. That is a typical example. The Post Office Department just has not been on its toes.

I can name post offices around the country in which typewriters are being used which are 15, 16, and 17 years old. As a matter of fact, after World War II the Government had thousands of typewriters on hand, which could have been obtained by the Post Office Department.

I sincerely hope the Senator's amendment will be agreed to.

Mr. DOUGLAS. I thank the Senator from North Dakota for the help he has given. It shows that sweet are the gifts which nominal opponents may bring.

Mr. LANGER. It shows that once in a hundred times the Senator from Illinois may be right, and he is right this time.

Mr. KILGORE and Mr. SALTONSTALL addressed the Chair.

Mr. DOUGLAS. I should first like to complete my statement.

The PRESIDING OFFICER. The Senator from Illinois declines to yield.

Mr. KILGORE. I merely wished to ask the Senator about the figures he gave. What is the reduction he proposes?

Mr. DOUGLAS. I am proposing a reduction of \$36,000,000, from \$1,852,100,000 to \$1,816,000,000. It is \$23,000,000

above the actual appropriations made last year, to allow for both mechanization and automatic pay increases, but it is \$36,000,000 below the sum recommended by the committee, and \$50,000,000 below the budget. My point is that we are appropriating on the basis of an estimated increase in mail, which in all probability will not materialize, because postal rates will probably be increased. If there is a decrease in the volume of mail, we can be certain that the Post Office Department will not turn any money back into Uncle Sam's Treasury.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield to the Senator from Massachusetts.

Mr. SALTONSTALL. Will the Senator from Illinois permit me to make a brief statement, without saying that it will be in the form of a question?

Mr. DOUGLAS. Yes.

Mr. SALTONSTALL. It seems to me that the Committee on Appropriations must act on realities. We hope there will be an increase in certain postal rates. Whether or not that would result in a decrease in the volume of mail is problematical. If my memory serves me right, over the years in which I have sat on the committee, the postal volume is affected more by the volume of business and by the volume of the gross income of the country than by anything else. The volume of mail has increased since 1946. In 1946 there was a slight decrease. If my memory serves me aright, we had an unfortunate economic period in 1946. In 1947, 1948, and 1949 there were increases in the volume of mail. The increases for those years were 3 percent, 7 percent, and 8 percent, respectively. The figures for 1950 and 1951 show an increase of 5 percent in 1950, 2.7 percent in 1951, and for 1952 the increase is estimated to be 3.71 percent.

The volume of business of the country in the coming year is expected to be greater than ever before. I believe this year it is up to \$286,000,000,000, and the hopeful estimate for the coming year is \$324,000,000,000. However, the Senator from Illinois is a better judge of that than am I. The increase in the national income is one reason why we increased the budget.

Does the Senator realize that the oldest truck now in use by the Post Office Department is a Mack truck of 1928? The total number of vehicles owned by the Post Office Department is 15,632. The age of the vehicles runs from 1928 to 1950, with only 2,400 new cars, approximately, bought in 1950. We have limited the amount of the trucks to 17,500. We felt that we should add approximately \$5,000,000 to the appropriation. The increase is for new motor vehicles, to permit the Post Office Department to go on a 6-year plan of turn-over of trucks. The older trucks are less efficient than the new trucks, and their maintenance costs more.

Those two factors, the estimated increase in the volume of mail and the need for new trucks, justified the committee in increasing the figure. The other part of the increase is justified by the increase in salaries, of which the dis-

tinguished Senator from Illinois knows as much as I do. There is an estimated increase in personnel, to take care of the additional volume of mail.

My question to the Senator from Illinois—and perhaps it is more in the nature of a statement—is whether what I have said makes sense to him?

Mr. DOUGLAS. I have great respect for the Senator from Massachusetts, and I certainly would never accuse him of uttering nonsense. However, I believe the Senator from Massachusetts has not taken into account certain things which I should like to mention.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I should like to reply first to the Senator from Massachusetts, and then I shall be happy to yield to the Senator from West Virginia. A portion of the increase in money national income, to which the Senator from Massachusetts has referred, is not an increase in real income. It stems from inflation and a rise in prices. Therefore we must beware not to take it as an indication of a complete increase in prosperity.

I should like further to invite attention to the mysterious saving of \$80,000,000, which was supposed to result from curtailment of deliveries from 2 a day to 1 a day. The Post Office Department, with a fine flourish, said it had saved \$80,000,000. That represents 5 percent of Post Office expenditures. If it had saved 5 percent, it follows, if a 3.7 percent increase in postal business is expected, that the Department certainly would not need any additional funds, and that the increase in business could be taken out of the savings resulting from the reduction in deliveries. In fact, one could expect a dividend of 1.3 percent to be paid to the taxpayers. Such a dividend, if my hasty calculation is correct, would amount to \$23,000,000. I am trying to save only \$36,000,000.

We must not pretend that the Post Office Department is a perfect human institution. I do not believe it is any reflection upon the officers of the Department to say that probably there is not 100 percent efficiency in the Post Office Department. It is an old institution. In every old institution old methods and old procedures tend to accumulate. The barnacles gather. Unless pressure is applied by the legislative authorities, the old-timers will continue to lead the Department. I believe we should try a little pressure by reducing the requests for appropriations.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am very glad to yield.

Mr. KILGORE. As I understand, the Senator's reduction would apply to \$1,852,100,000, and would result in a reduction of \$36,100,000. Is the Senator from Illinois aware of the fact that of the increase granted by the committee \$12,000,000 is for automatic promotions?

Mr. DOUGLAS. That is approximately correct, and that automatic pay increase as well as increases for mechanization is provided for in my figure of \$1,816,000,000.

Mr. KILGORE. Very well. An additional \$8,000,000 is for changes in positions due to organizational work, as compared with the situation in 1951.

Mr. DOUGLAS. Mr. President, I think the Post Office Department as a whole can absorb that.

Mr. KILGORE. I have also understood, as the Senator has heard, that the human body can absorb poisons if they are administered slowly. I believe it was the Romans who had a theory that the human body could gradually accommodate itself to the most severe poisons if they were administered a little at a time.

However, it seems to me that \$12,000,000 plus \$5,000,000 plus \$8,000,000 plus \$25,000,000 for substitute services, constitute a very large total to be absorbed.

I do not know whether the Senator from Illinois is aware of the fact that there have been no permanent appointments in the postal service since the war because the positions are being held open for returning veterans. Temporary employees do not give the type of service afforded by the permanent employees who try to protect the longevity of their jobs.

Mr. DOUGLAS. Let me ask my good friend, the Senator from West Virginia, whether it is his position that the postal service is operating at peak efficiency and that its efficiency cannot be increased by 2 percent, so as to handle the cut I propose?

Mr. KILGORE. I no more believe that the postal service is a perfect piece of machinery than I believe that any Member of Congress or any citizen of the United States is an absolutely perfect human being. Everyone has his frailties.

Mr. DOUGLAS. Could the postal service improve its efficiency by 2 percent? As a matter of fact my amendment would not even require that much absorption if the estimated increase in volume does not materialize.

Mr. KILGORE. It seems to me that the principal complaint of the Senator from Illinois is that the postal service is a conservative organization.

Mr. DOUGLAS. No; my complaint is that the postal service is a somewhat inefficient organization. We have asked other agencies to take a cut below requests of much greater than 2 percent. Why should we exempt the Post Office?

Mr. KILGORE. Then does the Senator from Illinois believe that a public organization cannot do business as well as a private organization can?

Mr. DOUGLAS. I do not say that; I am not proposing that we turn over the postal service to a private organization. I merely ask whether we can save 2 percent of the Post Office budget. In view of the fact that there may be no increase in the volume of mail, and that, actually, the volume of mail may decrease, in view of the further fact that, presumably, there were \$80,000,000 of savings, which were loudly acclaimed at the time, but which never showed up in the estimates submitted by the Post Office Department to the Bureau of the Budget; and in view of the further fact that the Post Office Department has cer-

tain definite, tangible ways in which it can improve its efficiency, notably in the handling of mail and in the handling of money orders, why should we not be able to make a 2-percent cut?

Mr. KILGORE. Does the Senator mean in the large post offices?

Mr. DOUGLAS. And also, I think, in some of the smaller ones.

Mr. KILGORE. Does the Senator also have in mind the fact that there have been a tremendous number of forgeries in connection with the handling of money orders by the machine method?

Does the Senator from Illinois also realize that his five different leave bills would put a total of \$25,000,000 more into the appropriations, because one less day of leave for each employee would amount to \$5,000,000 in the case of each of the bills?

Mr. DOUGLAS. I am interested in doing justice and at the same time having efficiency and economy; and I do not believe the two are inconsistent.

We have saved on the leave provision approximately \$200,000,000 a year, and I think we can give up approximately \$30,000,000 of that saving to raise the postal workers to a higher level. I wish to accord them justice, but at the same time I wish to have efficiency in the postal service.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. JOHNSTON of South Carolina. Is it not true that we save that much, when we speak of saving \$200,000,000, we are assuming that every employee of the Federal Government will take advantage of the leave provisions?

Mr. DOUGLAS. I say that we save a potential \$200,000,000 in that way.

Mr. JOHNSTON of South Carolina. That much will be saved if every employee takes advantage of the leave to which he is entitled under both the present system and the proposed system. If additional workers are employed to replace those on leave, rather than doubling up the workload of employees remaining in the office, this potential saving would be greatly reduced. It is not possible to talk of a saving of \$200,000,000 in any one appropriation bill with respect to leave-benefit reductions.

Mr. DOUGLAS. Mr. President, if the Government employees receive a smaller amount of leave, the Government does not have to maintain so large a force in order to provide replacements for those who are on leave; therefore, the total force does not have to be so large. The saving is not merely a cash saving because of the smaller amount of leave taken by the workers at the end of their service, but the saving also occurs because of the smaller number of employees who are needed, because their leave does not amount to 5½ weeks or, in the case of the Foreign Service, to 8½ weeks.

Mr. JOHNSTON of South Carolina. However, is it not true that in a large percentage of cases, when employees take leave, those who remain at work simply double up, in the individual offices?

Mr. DOUGLAS. If there is doubling up, it is an indication that at other times the office is not particularly efficient, and

that at other times the employees could double up as well, not merely when some of them are on leave. Therefore, that situation may point the way to a still further personnel cut, which I should be very glad to sponsor. However, the question of leave is another matter.

At the moment we have before us a proposal to reduce the operating expenses of the Post Office Department. I should like to point out that, as yet, we have had no explanation as to where more than \$80,000,000 of savings have gone. We have had no explanation of how an increase in postal traffic may be expected following an increase in the postal rates, which is promised. We have had no really satisfactory explanation of how the efficiency of the postal service cannot be increased by at least 2 percent.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield to the Senator from North Dakota, who is taking my side today.

Mr. LANGER. I should like to call the attention of the distinguished Senator from Illinois to the fact that as a result of the appropriations for the past 10 years, to my positive knowledge, we have been permitting the Post Office Department to buy machines and more machines and more machines to increase the efficiency of the postal service. Each time a machine is purchased the Post Office Department states that the use of the machine will make it cheaper to operate the Post Office Department. Yet we find that the appropriations for the Department have increased year after year.

I think the distinguished Senator from Illinois has hit the nail squarely on the head when he has mentioned the new machine in this case, because it is typical and symbolic of the kind of machines which have been purchased during the past 10 years, as a result of huge appropriations. The officials of the Post Office Department always tell us that if we permit them to buy the machines, they will be able to operate the Post Office Department more cheaply than before. Does not the Senator from Illinois agree?

Mr. DOUGLAS. The promise of economy is always made, but later the appropriation is always increased.

Mr. KILGORE. Mr. President, will the Senator yield for a question?

Mr. JOHNSTON of South Carolina. Mr. President—

Mr. DOUGLAS. Mr. President, I should like to make a statement at this time, if I may do so.

If we examine the first page of the committee's report on the Treasury-Post Office appropriations bill, we find a summary of what the committee is proposing. The estimates for 1952 were \$2,958,425,000, almost \$3,000,000,000. Under the appropriations recommended by the committee, the total savings amount to \$20,730,353, or a proposed saving of less than 1 percent—in fact, only approximately two-thirds of 1 percent—in the case of the postal service and the Treasury combined. For the postal service alone, the decrease from the 1952 estimates is only \$16,750,000, or only ap-

proximately two-thirds of 1 percent, and the estimates are approximately \$92,000,000 more than the appropriations for the fiscal year 1951, or more than 4 percent greater than the appropriations for the last fiscal year.

Mr. President, I wish to point out that we have a very serious general budgetary situation. At a minimum we must cut \$5,000,000,000 from the estimates submitted by the Bureau of the Budget. We can make some savings on the military expenditures, by eliminating the waste there—saving of approximately \$2,000,000,000.

We can save some in connection with foreign aid, about which my friend, the Senator from Nebraska [Mr. WHERRY], always needles me when domestic issues come up. I think we can make some saving there.

However, we also must save on the appropriations for defense, nondefense items. In fact, we must save, especially on nondefense items.

Here is a bill of approximately \$3,000,000,000, which the committee proposes savings of less than 1 percent. In my judgment we must save approximately \$2,000,000,000 on domestic, nondefense items, or an average cut of approximately 20 percent.

Now the committee comes forward with a proposal for a cut of two-thirds of 1 percent. In view of the general financial situation of the country and in view of the specific facts connected with the postal service, I submit that my proposal for another cut of \$36,000,000 is most modest, indeed.

Mr. President, I yield the floor.

Mr. ECTON. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I am glad to yield.

Mr. ECTON. I should like to ask the distinguished Senator from Illinois how he expects to effect a saving in the overall budget by cutting the appropriations for the Post Office Department by \$36,000,000 when, year after year, there has been a deficit in that department of more than \$500,000,000.

Mr. DOUGLAS. Mr. President, I may say, in that connection, that for at least 2 years, and ever since I came to the Senate and had a chance to look into this matter, I have urged an increase in postal rates. I think postal rates should be increased. The deficit incurred in the carrying of second-class matter is probably considerably over \$100,000,000, probably \$150,000,000; the deficit in the carrying of third-class matter is perhaps \$70,000,000 or \$80,000,000; and the deficit in the case of the fourth-class matter is \$70,000,000 or \$80,000,000. There is a tremendous deficit.

Furthermore, the Post Office Department is being bled in the form of subsidies paid to the airlines and to the shipping concerns; and, in my judgment, the rates paid to the railroads are still excessive. The Post Office Department is being taken for a ride in all these respects, and these losses help to account for the deficit.

But, Mr. President, in addition to that, we should insist upon greater efficiency in the Post Office Department, and we should try to bring about a reduction of

costs, to show that we are doing our part, as well as asking the newspapers, the magazines, the mail-order houses, the direct-mail advertisers, the railroads, and shipping concerns, to do their part, too.

Mr. ECTON. Mr. President, will the Senator yield further?

Mr. DOUGLAS. I yield to the Senator from Montana.

Mr. ECTON. Does not the able Senator realize that, when the committee was marking up the bill and considering all the branches within the postal service, and all the angles involved, we had to consider the increases in salaries voted by the Congress, that we had to consider the burden of increased freight rates placed upon the Post Office Department by the Interstate Commerce Commission, and that we had before us no proposal for increase in postage, and did not know that the Congress would pass an increased-postage bill? Does not the Senator realize that the committee had to accept the situation as it was presented to us? I do not see how the Senator from Illinois thinks we could do otherwise than meet the problem, and meet it practically.

Mr. DOUGLAS. Mr. President, I may point out to my good friend from Montana, in reply to his question, that the item for transportation is not the item to which I am addressing my amendment.

Mr. ECTON. It is included, is it not?

Mr. DOUGLAS. I am addressing my amendment to page 15, "Postal operations," lines 4 to 18. The item "Transportation of mails," starts at line 20, on page 15, and goes to line 2, on page 16; so that the question of an ICC increase is beside the point.

Furthermore, I take into account the automatic pay increases, amounting to about \$11,500,000. \$1,816,000,000, as I said before—and I think the Senator from Montana was not present at the time—will provide the same amount of money that was available last year, plus \$11,500,000 for automatic pay increases, plus \$11,500,000 for mechanization and the purchase of supplies.

Mr. ECTON. The Senator realizes, does he not, that more than \$5,000,000 is provided in the bill for new trucks?

Mr. DOUGLAS. Yes. All I am saying is that the Post Office Department saw perfectly that, in its operations, it could not save 2 percent in its business transactions, particularly in view of a number of items which I hope those Senators who have been here throughout will forgive me for repeating, but which I mention for those who have come recently to the floor.

First, the Department presumably saved \$80,000,000 by curtailing the deliveries of mail from two a day to one. Why is it, in view of that fact, that the Post Office Department and the Budget Bureau come to Congress with requests for appropriations of \$70,000,000 or \$80,000,000 more than was provided last year, when presumably they had saved \$80,000,000?

Mr. ECTON. If the Senator will permit, I think I can answer his question. The money saved by cutting off the extra

mail delivery a day went to meet the increased cost of handling an increased volume of mail; so, Mr. President, there could not be a saving. The Postmaster General found it necessary to curtail service in order to have enough money to live within his appropriation; that is all there is to that. There was no saving. No saving was built up, to be used later. He had to do what he did in order to take care of the increased business. Those of us who have attended all the hearings and who have listened to the testimony, asking questions and hearing the answers, feel that the explanation is very simple. I regret that the Senator from Illinois did not have the privilege of sitting through the hearings.

Mr. KILGORE. Mr. President, I wish to reply briefly to the statements of the Senator from Illinois. I wish that the Appropriations Committee could live in a garden of dreams, and that by gazing in the crystal ball we could be assured that postal rates would be increased, and that various other things would happen. But the Appropriations Committee, unfortunately, has had to face the hard facts of life. We have had to accept conditions as we found them. While much is said about increased receipts, the only increase which the Post Office has in sight is one which has been granted by the Interstate Commerce Commission on fourth-class matter and which is to become effective in October, I hope. Having seen representatives of the newspapers, periodicals, and everything else coming in to fight the rate increases on second-, third-, and fourth-class mail, I do not think there will be much of an increase except as to fourth-class mail.

Another thing the Senator forgot, in speaking on this subject, is that there have been four salary increases to postal employees since 1945, and that the total annual added costs are \$1,000,000,000. Since the added annual revenue is only \$250,000,000, the deficit would be \$750,000,000, were it not for the savings of about \$200,000,000 a year, which reduced the deficit to about \$500,000,000, plus, each year. If that indicates carelessness, it is carelessness.

I also wish to remind my colleagues of the fact that in this bill we are dealing with two service organizations; one, an organization which serves the public as a whole, the Postal Department; the other, an organization which serves the Government by collecting taxes and handling the finances of the Government. They are different from departments which deal with other matters. I should be perfectly willing to have the postal appropriation reduced, if I could see that it could be done without reduction of service; but I remember, when mail deliveries in the cities were limited to one a day, the storm of letters which reached my office from people who did not like it. I am not speaking of mail carriers, I am speaking of the customers of the Post Office. I remember what happened when the Eightieth Congress reduced the number of employees in the Internal Revenue Bureau by approximately 7,000. We noted the decrease of revenue following that action. In this

appropriation bill the committee took care of the situation affecting both Departments and at the same time recommended the lowest possible figures.

I think it would be most unwise for the Senate in the case of the Post Office Department to anticipate the beautiful vision of an increase in second-class and third-class mail rates sufficient to bring in very many millions of dollars. We must also realize that in this bill as it affects the Post Office Department, there are included approximately 500,000 positions, beginning with postmasters and including supervisors, mail superintendents, employees of the city delivery service, the rural delivery service, the special delivery messengers, substitutes, and temporary carriers—in fact, the whole operational establishment of the Post Office Department.

At the present time, Mr. President, there are in the postal service of the United States more than 130,000 temporary and substitute carriers holding positions open for returning veterans. We must also realize the amount of mail which comes in from the Korean front, the cost of which has to be met.

It is my hope, Mr. President, that the amendment offered by the Senator from Illinois will not be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS].

Mr. DOUGLAS, Mr. FERGUSON, and other Senators asked for the yeas and nays.

The yeas and nays were not ordered.

Mr. ECTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Anderson	Hennings	Morse
Benton	Hill	Mundt
Bricker	Hoey	Murray
Butler, Md.	Holland	Neely
Butler, Nebr.	Hunt	Nixon
Byrd	Johnson, Colo.	O'Connor
Capehart	Johnson, Tex.	O'Mahoney
Carlson	Johnston, S. C.	Robertson
Case	Kefauver	Russell
Chavez	Kerr	Saltonstall
Clements	Kilgore	Schoeppel
Cordon	Knowland	Smith, Maine
Dirksen	Langer	Smith, N. C.
Douglas	Lehman	Stennis
Duff	Magnuson	Taft
Dworshak	Malone	Thye
Eastland	Maybank	Underwood
Eaton	McCarthy	Watkins
Ferguson	McFarland	Wherry
Flanders	McKellar	Williams
Frear	Millikin	Young
Hayden	Monroney	
Hendrickson		

The PRESIDING OFFICER (Mr. HOEY in the chair). A quorum is present.

Mr. McKELLAR obtained the floor.

Mr. DOUGLAS. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. The Senator from Tennessee has the floor. The Chair will recognize the Senator from Illinois later.

Mr. McKELLAR. Mr. President, I am very sorry, but I must ask for a few minutes to speak on an entirely different matter from that which is now before the Senate.

The PRESIDING OFFICER. Will the Senator permit the Senate to act on the request for the yeas and nays before he begins?

Mr. McKELLAR. Yes, indeed.

The PRESIDING OFFICER. On the amendment of the Senator from Illinois the yeas and nays have been requested. Is the demand sufficiently seconded?

The yeas and nays were ordered.

LEAVE OF ABSENCE

On his own request, and by unanimous consent, Mr. MILLIKIN was excused from attendance on the session of the Senate for the remainder of today.

OAK RIDGE, TENN.

Mr. McKELLAR. Mr. President, I desire to bring to the attention of the Senate at this time one of the most remarkable situations of which I have ever heard. I wish to deal with the question of municipal government at Oak Ridge, Tenn.

Oak Ridge, Tenn., the home of the atomic bomb, the home of the atomic energy plant, is a city of between thirty and forty thousand people. The fact that it is the fifth city in size in Tennessee indicates its importance. The citizens of that city have been deprived of all municipal government. They have no right to vote in municipal matters. They have no right to engage in business other than to work for the Government. They have no municipal rights of any kind. They are governed by a corporation located in the city of New York, the home of my distinguished friend, the junior Senator from New York [Mr. LEHMAN], at whom I am looking at this moment.

A short time ago I was waited upon by a committee of citizens from Oak Ridge, who stated that in 1949 their rents were increased 18 percent, and that they had been notified some time previously that rents would be again increased, this time by 28 percent. In other words, in about 2 years this corporation, which is mayor, city council, and really the owner of Oak Ridge, has raised the rents of the people of Oak Ridge 46 percent.

I wrote a very courteous letter to Mr. Dean, the Chairman of the Atomic Energy Commission, and asked him a number of questions as to what was being done. I received a reply which was one of the most ingenious attempts at run-around that I have ever heard of. He virtually told me that he would let me see one contract with the so-called Roane-Anderson Co.—I hardly know how to designate the Roane-Anderson Co. The company in New York had turned over its rights, under another contract, to the Roane-Anderson Co. which was organized under the Tennessee law merely for the purpose of covering up the activities.

I asked quite a number of questions about this remarkable city government. A man is not allowed to go into business without a license. The letter of Mr. Dean was of such a nature that it gave me virtually no information in regard to what was going on.

Two or three days after I had written the letter, there was published in the

New York Journal of Commerce an attempted explanation of what was being done.

Think of it for a moment, Mr. President—35,000 or 40,000 citizens of the city of Oak Ridge are being governed by a New York corporation on a cost-plus-fee basis.

A few days later I received a letter in reply to my request, but, as I say, it was one which contained no real information. I was told that I would be permitted to have one copy of one contract, but it was not thought that I needed any others. That was the substance of the reply. I was not given what I asked for. The Chairman undertook to give me only such information as he desired to give.

Think of it, Mr. President—in this free country, where we are fighting a war for freedom, and where at the present time we are supposedly building bombs to fight that war or any other war, 35,000 citizens of this one community are deprived of all municipal rights. I believe that the masters who run the city graciously permit its citizens to vote in State elections.

Mr. FERGUSON. Mr. President, will the Senator yield for a question?

Mr. McKELLAR. I shall be glad to yield in a moment.

The citizens of that community are permitted to vote in national elections, and, I believe, in State elections. But so far as municipal affairs are concerned, they have no more to say than if they lived in Africa, Asia, or some other part of the world. They have nothing to say about how they shall be governed.

I now yield to the Senator from Michigan.

Mr. FERGUSON. This subject has been before the Committee on Appropriations and I am sure the Senator from Tennessee and the Senator from Michigan stood side by side on the question.

Mr. McKELLAR. The Senator is correct.

Mr. FERGUSON. Is it not true that last year we attempted, at least by way of a report, to do away with the so-called corporation state in Oak Ridge? The corporation was receiving a fee of \$180,000 even though every employee was being paid by the Federal Government; in other words, it was a cost plus a fixed fee of \$180,000.

Mr. McKELLAR. That is true.

Mr. FERGUSON. We tried to eliminate that situation, but apparently the objectionable feature has not been eliminated, even though the subject was dealt with in a report.

Mr. McKELLAR. That is true. The corporation does to the Congress just what the Chairman of the Atomic Energy Commission undertook to do to me. The corporation is giving the Congress the run-around, just as Mr. Dean is undertaking, in the letter which I shall read in a moment, to give me the run-around.

Mr. President, I do not like to have one of our our servants—and the Chairman of this Commission is a servant of the Congress, and not its master—say what he will do and what he will not do, in regard to the enormous increases in rent imposed on the poor people of Oak Ridge who work for a living.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. LEHMAN. I am very much interested in the remarks of the distinguished Senator from Tennessee. I think he knows, without my repeating it, my high regard and great admiration for him. But he has addressed himself to the junior Senator from New York. I thought there might be an implication that the junior Senator from New York was somehow responsible for this situation.

Mr. McKELLAR. Not at all. If I created that impression in the mind of any person, I humbly apologize, not only to the Senator from New York, but to other Senators. I had no such intention. I am sorry that I am so ungifted in the use of the English language as to create that impression.

Mr. LEHMAN. Mr. President, will the Senator further yield?

Mr. McKELLAR. I yield.

Mr. LEHMAN. I am not familiar with the situation, as I was not a Member of the Senate at the time the Atomic Energy Act was passed. However, I generally agree with the observations made by the distinguished Senator with regard to rent control, and with regard to cost-plus contracts. I point out—and I think my colleagues realize it—that I am vigorously opposed to any law which permits indiscriminate raising of rents. I voted against proposed amendments to the Defense Production Act which would have permitted that kind of gouging on the part of landlords. I am very glad indeed to hear the strictures of the distinguished Senator against cost-plus contracts, because I am afraid, from what I have read in the press, that when the Defense Production Act is finally passed by the House it would permit on a Nation-wide scale, in our entire economy, the equivalent of cost-plus contracts with the American consuming public. I think that would be an evil situation. I think it should be prevented. Therefore I am happy to hear the distinguished Senator from Tennessee criticize and condemn unconscionable rent increases and cost-plus contracts. I thank the Senator.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. MAYBANK. I have discussed this matter with the distinguished Senator from Tennessee. The bill which he has introduced has been referred to the Committee on Banking and Currency.

I wish to say to the Senator from Tennessee that we shall hold hearings. The Senator well knows how I feel about the situation to which he refers. I have been on the Appropriations Committee with him since 1941. I was a member of the committee when the Atomic Energy Act was passed and when the Manhattan project was inaugurated. The Senator from Tennessee brings into the discussion the subject of rent control. He is eminently correct. They are attempting to raise rents 46 percent.

Mr. McKELLAR. Yes; 46 percent.

Mr. MAYBANK. The committee has had one or two complaints. Far be it

from me to say that the committee knows half as much about the Atomic Energy Commission or the Manhattan project as does the distinguished senior Senator from Tennessee. Far be it from the committee to suggest that they could give more than a small amount of help to him, when he has done so much for the Manhattan project and for TVA. The Senator knows that since I have been a member of the Committee on Appropriations I have voted for TVA appropriations and for the Atomic Energy Commission appropriations. Except for a few Senators, perhaps, no Senator knows as much about the subject as does the senior Senator from Tennessee.

The Senator has a letter from Mr. Tighe Woods, I understand.

Mr. McKELLAR. Yes; I have.

Mr. MAYBANK. In which Mr. Woods states that he can do nothing about it. I may say that that is a fact, as the situation stands today.

The conferees committee on the defense production bill will meet on Wednesday morning. The Senate passed a rent-control bill. It was not entirely satisfactory to everyone, but at least we passed the best kind of bill we could possibly pass in the Senate. That rent-control bill would limit the raising of rents to 20 percent since 1941, taking into account the increases which have been granted. In areas which have been decontrolled, as is true of the Manhattan project, the limitation date is May-June 1950.

I say to the senior Senator from Tennessee that it will be my intention, when the conferees meet on Wednesday morning at 10:30 for the purpose of discussing rent control and allocation of materials—and I may say I discussed the subject with Representative SPENCE this morning—to take those subjects up first before we get into a discussion of price controls. I shall make every effort to do so, and I say so in no uncertain terms. There is sufficient language in the House version of the bill and in the Senate version to make it possible to protect the people of the Manhattan project and the people at Oak Ridge. The distinguished Senator from Tennessee has very ably sought to defend and to protect these people for a long time. We shall see to it that they are given the same treatment that is given to those engaged in war industries. I merely wish to assure the Senator of my cooperation.

Mr. McKELLAR. I thank the Senator from South Carolina with all my heart.

Mr. FERGUSON. Mr. President, I should like to read into the RECORD what we wrote in the report of last year.

Mr. McKELLAR. I hope the Senator will do so.

Mr. FERGUSON. I read from page 182 of the report, under the heading "Atomic Energy Commission":

The committee recommends the deletion of the provision limiting the maximum amount which may be paid as a fee for community management services and for the operation of transportation systems. The committee believes that such provision would seriously interfere with the Commission's operations under the terms of existing contracts.

However, the committee is of the opinion that the present undemocratic method of running the towns of Oak Ridge, Richland, and Los Alamos should be discontinued as soon as practicable, giving due consideration to the security safeguards that may be involved and to the successful functioning of the Commission's program. The committee agrees with the Joint Committee on Atomic Energy that a definite timetable should be established for disengaging these towns from such community management and transportation contracts. Accordingly the committee, believing that it is essential to remove any basis for suit against the Commission, suggests to the Commission that as soon as practicable, but not later than 60 days after the enactment of this bill, the required notice be given of 6 months for cancellation of contracts for community management and transportation services, and in the meantime that they begin negotiations for substituting for the present system of corporate community management a new system of community management based upon traditional principles of local community self-government.

In other words, the Committee on Appropriations, of which the distinguished Senator from Tennessee is chairman, suggested to the Commission that not later than 60 days after the passage of the bill they should give notice that in 6 months, which would make a total of 8 months, the contracts would be terminated. Yet, now, almost 13 months later, it appears that Oak Ridge is still a corporate city, being managed by a corporation in the State of New York. Is that correct?

Mr. McKELLAR. That is correct. I may say that it is a very profitable undertaking for someone. I asked for the names of those who owned the New York and the pseudo Tennessee corporation. Mr. Dean wrote me two letters. He did not give me any answer. He said that under the cost-plus-fixed-fee contract the Government paid all the costs of running the city. The cost plus fixed fee, for the time it has been running, is the tidy little sum of approximately \$1,500,000. Just think of our own Government treating a group of its citizens in any such way.

I cannot explain the situation better than by reading a letter which I have written to Mr. Dean, the chairman of the Atomic Energy Commission. The letter is dated July 19, 1951. It reads:

DEAR SIR: Your letter of the 10th concerning the Roane-Anderson contract received and noted.

This was the second letter.

No; what you sent me does not serve my purpose. The appendix which you say, "covers only details, of personal policy and may not be essential for your purposes"—

I wonder how big some of the heads of departments can become. He says they may not be essential to my purposes. Well, they are the very things that were essential to my purposes. The appendix was the very thing I wanted.

I did not ask you simply for the present contract you have with the Roane-Anderson Co. but for all the contracts you have with that company.

I want to get to the bottom of this matter. I want to see who is making money out of the Government of the

ments that are likely to cause me to deviate, by one iota, from my course in attempting to further a program which I believe to be of utmost importance to the farmers of the country.

Mr. DOUGLAS. The Senator from Georgia is a very doughty fighter, but he is a completely fair fighter, and we love him and respect him for it.

Mr. RUSSELL. I thank the Senator.

Mr. DOUGLAS. Mr. President, reserving the right to object, I may say, now that the gentilities are over for the time being, that while I appreciate the offer to have one amendment considered on Wednesday, there are also several other amendments which it is quite possible I shall offer, but not knowing the nature of the bill which the committee will report, I should appreciate it if the Senator from Georgia will continue his politeness and permit me to offer additional amendments on Wednesday, and not restrict me merely to the one amendment dealing with bonus payments for phosphates.

Mr. RUSSELL. I had begun to feel natural when the Senator from Illinois said the gentilities were over, and I was preparing to enter into the fight, but since the Senator again mentions amendments he desires to offer, I may say that I would estimate there are some 70 or 80 amendments to the bill. I hope the Senate may proceed on Tuesday to take action on as many of them as it can, without interfering with the plans of the Senator from Illinois to visit his own State. If the Senator from Illinois would indicate the amendments in which he is interested, I can assure him that it will not enable me to take any unfair advantage of him.

Mr. DOUGLAS. I am sure the Senator from Georgia would not do that. But not knowing the nature of the Senate committee recommendations in the bill, I cannot mention the specific items, but I can promise that I shall restrict myself to not more than 10 amendments.

The VICE PRESIDENT. Is there objection to the request made by the Senator from Arizona [Mr. McFARLAND]?

Mr. DIRKSEN. Mr. President, reserving the right to object, I should like to say to my old friend from Georgia that the proposals I have in mind by way of amendments to the agricultural appropriation bill will not be new. I have offered them years ago. I have fought, bled, and died with the Senator from Georgia across the committee table and in conference, and he knows of the struggle, which has been carried on to make cuts in the agricultural appropriations. This is simply a resumption of that struggle which is based upon a deep conviction on the part of the junior Senator from Illinois.

Mr. RUSSELL. I am glad to bear testimony to the complete consistency of the distinguished junior Senator from Illinois in undertaking to eliminate the soil-conservation payments. He was a distinguished member of the House Subcommittee on Agricultural Appropriations for a number of years. It was my privilege to meet him in conference. He is a tough and doughty fighter, and he has certainly distinguished himself

for the efficiency with which he has attacked this program.

I well remember back in the days of the Eightieth Congress, when the distinguished Senator from Illinois was then the chairman of the House Subcommittee on Agricultural Appropriations, and so far as the House of Representatives was concerned, he succeeded in his purpose. He managed to secure the approval of the House of Representatives to an amendment which absolutely eliminated the soil-conservation program from the farms of the United States. After a long and bitter struggle, the Senate committee finally made a very modest restoration—it was almost a token appropriation—of \$150,000,000.

A great many of the farmers did not agree with the distinguished Senator from Illinois. They believed in conserving the soils of the Nation. I think the farmers generally now have a very keen sense of responsibility to the generations that will come after them. The practices are different in some States from those in others. The farmers of Illinois may not have practices of which farmers in other States approve. But in most of the States of the Union the farmers do wholeheartedly embrace and approve of this program.

It is my own personal view, without bringing any politics into the discussion, that the result of the elections held in 1948 in the great farm States—for example, Iowa—which are usually as rock-bound in their Republicanism as is the State of Georgia in its Democracy, was a very concrete demonstration of the disapproval of the farmers of America of destroying the agricultural-conservation program.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arizona [Mr. McFARLAND]?

Mr. DOUGLAS. Mr. President, I object until we can reach an agreement on the number of amendments that can be offered on Wednesday.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. DIRKSEN. Which request is now before the Senate, that of the Senator from Georgia or that of the Senator from Arizona?

The VICE PRESIDENT. The request of the Senator from Georgia was agreed to.

Mr. RUSSELL. I understand that, without objection, the request I made as to reporting the bill was agreed to.

The VICE PRESIDENT. That was agreed to. There was no objection to the request of the Senator from Georgia for permission to report the bill. The question now is on the request of the Senator from Arizona [Mr. McFARLAND].

Mr. SALTONSTALL. Mr. President, reserving the right to object, I should like to say—

The VICE PRESIDENT. The Chair will say that the Senator that the Senator from Illinois [Mr. DOUGLAS] has already objected.

Mr. DOUGLAS. Mr. President, I will withdraw my objection provided I can

have an assurance from the Senator from Georgia that a limited number of amendments can be offered on Wednesday and debated and voted upon. The word of the Senator from Georgia will be completely good, without agreement being entered into upon the floor of the Senate.

Mr. RUSSELL. Mr. President, I desire to be as generous and gracious as possible. I want to measure up as nearly as I can to the very high standard attributed to me by the Senator from Illinois. But it is very difficult for me to buy a pig in a poke. I have no idea what amendments are involved. I do not know whether the Senate can afford to take any action whatever on any amendment on Tuesday, because it might relate to some item in the appropriation bill in which the Senator from Illinois is interested. I shall be very happy, if the Senator will supply me with a list of the specific items in the bill in which he is interested, to ask that action on those items be carried over.

Mr. DOUGLAS. I have not seen the bill, and therefore I cannot buy a pig in a poke either.

Mr. RUSSELL. I have great sympathy with the Senator. I can understand why he might want to go to his home State. I have suffered with judgeship troubles of my own, and I know something about the difficulties which confront us.

Mr. CAPEHART. Mr. President, I call for the regular order.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arizona?

Mr. CAPEHART. There is. I object.

Mr. DOUGLAS. Mr. President, I would withdraw my objection—

The VICE PRESIDENT. The Senator from Indiana has already objected, so it is not necessary to withdraw anything.

Mr. RUSSELL. Mr. President, I ask for the regular order.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS] to the committee amendment on page 15, line 15. On this question the yeas and nays have been ordered.

Mr. KILGORE. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. McFARLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded, and that further proceedings under the call be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS] to the committee amendment on page 15, line 15.

Mr. McFARLAND. Mr. President, I renew the unanimous-consent request which I made before the quorum call started.

The VICE PRESIDENT. Is there objection?

Mr. LANGER. Mr. President, I am not familiar with the request. What is it? Reserving the right to object, I want to know what the request is.

The VICE PRESIDENT. The Senator from Arizona will restate it.

Mr. McFARLAND. Very well. I will restate it.

The unanimous-consent request was that, after the vote on the pending amendment, consideration of the pending bill be postponed until after the disposition of the agricultural appropriation bill; that the agricultural appropriation bill be made the pending business beginning on Tuesday; that there be a limitation of debate of 30 minutes on each amendment, motion, or appeal, and a limitation of an hour on the Post Office-Treasury appropriation bill.

Mr. LANGER. I have no objection.

The VICE PRESIDENT. Without objection, it is so ordered.

The unanimous-consent agreement, as subsequently reduced to writing, is as follows:

Ordered, That immediately after the vote on the pending amendment proposed by Mr. DOUGLAS to H. R. 3282, the Treasury and Post Office Departments Appropriation Act, 1952, the further consideration of the said bill be postponed until after the disposition of H. R. 3973, the Agricultural Department Appropriation Act, 1952; that the latter bill be made the pending business for Tuesday, July 24, 1951, at the hour of 12 o'clock noon; that during the further consideration of H. R. 3282, the Treasury and Post Office Departments Appropriation bill, 1952, debate upon any amendment or motion (including appeals) shall be limited to not exceeding 30 minutes, to be equally divided and controlled, in the case of committee amendments, by Mr. KILGORE and Mr. WHERRY, respectively, or some Senator designated by him; and, in the case of individual amendments or motions, by the mover of any such amendment or motion and Mr. KILGORE, respectfully: *Provided*, That in the event Mr. KILGORE is in favor of any such individual motion or amendment, the time in opposition thereto shall be controlled by Mr. WHERRY, or some Senator designated by him.

Ordered further, That debate on the question of the final passage of H. R. 3282 shall be limited to not exceeding 1 hour, to be equally divided and controlled by Mr. KILGORE and Mr. WHERRY, or some Senator designated by him.

Mr. SALTONSTALL. Mr. President, before the consideration of the Treasury and Post Office appropriation bill is resumed, and the vote is taken on the DOUGLAS amendment, I should like to ask the major leader a question. Under the understanding to take up the agricultural appropriation bill on Tuesday, if for any reason the agricultural appropriation bill cannot be reported tomorrow, in accordance with the unanimous-consent request of the Senator from Georgia [Mr. RUSSELL], at least 24 hours should be given to Senators to look over the bill after it is reported. So if the bill is not reported on Saturday, but is reported on Monday, the understanding about taking it up on Tuesday would have to be changed. Do I make myself clear?

Mr. McFARLAND. There would still be a period of 24 hours.

The VICE PRESIDENT. If the bill were reported on Monday it would be in order to take it up on Tuesday.

Mr. McFARLAND. It would still lie over 24 hours.

Mr. SALTONSTALL. So long as there is a period of 24 hours—

Mr. McFARLAND. It would lie over for 24 hours. Of course, it is understood that the other conditions in the unanimous-consent request, with respect to the division of time, also apply. In restating the request I briefed it.

Mr. SALTONSTALL. In other words, there will be a period of 24 hours after the bill is printed, for Members to consider it before it is taken up. As I stated to the Senator from Georgia [Mr. RUSSELL] in the corridor, if for any reason the bill should not be reported tomorrow, in accordance with his request, at least 24 hours should be given as was the case with the Treasury and Post Office bill, for Senators to examine it.

Mr. RUSSELL. Is the Senator referring to the agricultural appropriation bill?

Mr. SALTONSTALL. Yes.

Mr. RUSSELL. I should be glad to allow that period of time.

Mr. McFARLAND. Mr. President, that may complicate the situation—

The VICE PRESIDENT. That provision was not included in the unanimous-consent agreement, which has already been entered. But if the bill is reported on Monday, under the rule it will be in order to take it up on Tuesday, even without a unanimous-consent agreement. It must lie over 1 day.

Mr. SALTONSTALL. I understand that, but in the interest of the minority I simply wanted, as was the case with the Treasury and Post Office bill, to give Senators sufficient notice. If every Senator feels that he has sufficient notice, I have no objection to taking up the agricultural appropriation bill on Tuesday.

Mr. RUSSELL. Mr. President, I am very hopeful that we shall be able to conclude consideration of the bill in the committee tomorrow.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATIONS, 1952

The Senate resumed the consideration of the bill (H. R. 3282) making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank of Washington for the fiscal year ending June 30, 1952, and for other purposes.

The VICE PRESIDENT. The question now is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS] to the committee amendment on page 15, line 15. On this question the yeas and nays have been ordered, and the secretary will call the roll.

The legislative clerk called the roll.
Mr. JOHNSON of Texas. I announce that the Senator from Connecticut [Mr. BENTON], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Tennessee [Mr. KEFAUVER], the Senator from New York [Mr. LEHMAN], the Senator from Louisiana [Mr. LONG],

the Senator from South Carolina [Mr. MAYBANK], the Senator from Michigan [Mr. MOODY], the Senator from Rhode Island [Mr. PASTORE], and the Senator from North Carolina [Mr. SMITH] are absent on official business.

The Senator from Texas [Mr. CONNALLY], the Senator from Georgia [Mr. GEORGE], and the Senator from Arkansas [Mr. McCLELLAN] are absent by leave of the Senate.

The Senator from Louisiana [Mr. ELLENDER] and the Senator from Nevada [Mr. McCARRAN] are absent by leave of the Senate on official business.

The Senator from Iowa [Mr. GILLETTE], the Senator from Rhode Island [Mr. GREEN], the Senator from Connecticut [Mr. McMAHON], and the Senator from Alabama [Mr. SPARKMAN] are absent by leave of the Senate on official business of the Committee on Foreign Relations.

The Senator from Florida [Mr. SMATHERS] is absent because of illness.

The Senator from Connecticut [Mr. McMAHON] has a general pair on this vote with the Senator from Maine [Mr. BREWSTER].

The Senator from South Carolina [Mr. MAYBANK] is paired on this vote with the Senator from Wisconsin [Mr. McCARTHY]. If present and voting, the Senator from South Carolina would vote "nay," and the Senator from Wisconsin would vote "yea."

The Senator from Rhode Island [Mr. PASTORE] is paired on this vote with the Senator from New York [Mr. IVES]. If present and voting, the Senator from Rhode Island would vote "nay," and the Senator from New York would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN] is absent because of a death in his family.

The Senator from Washington [Mr. CAIN] is absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER] who is absent by leave of the Senate on official business of the Committee on Foreign Relations, has a general pair on this vote with the Senator from Connecticut [Mr. McMAHON].

The Senator from Iowa [Mr. HICKENLOOPER], the Senator from Massachusetts [Mr. LODGE], the Senator from New Jersey [Mr. SMITH], and the Senator from Wisconsin [Mr. WILEY] are absent by leave of the Senate on official business of the Committee on Foreign Relations. If present and voting, the Senator from New Jersey [Mr. SMITH] would vote "yea."

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Indiana [Mr. JENNER] are necessarily absent. If present and voting the Senator from New Hampshire [Mr. BRIDGES] would vote "yea."

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness.

The Senator from Utah [Mr. BENNETT], the Senator from New York [Mr. IVES], the Senator from Pennsylvania [Mr. MARTIN] and the Senator from Idaho [Mr. WELKER] are absent on official business.

The Senators from Nebraska [Mr. BUTLER and Mr. WHERRY], the Senator from Wisconsin [Mr. McCARTHY], and the Senator from Utah [Mr. WATKINS] are detained on official business.

On this vote the Senator from New York [Mr. IVES] is paired with the Senator from Rhode Island [Mr. PASTORE]. If present and voting the Senator from New York would vote "yea," and the Senator from Rhode Island would vote "nay."

Also, on this vote the Senator from Wisconsin [Mr. McCARTHY] is paired with the Senator from South Carolina [Mr. MAYBANK]. If present and voting, the Senator from Wisconsin would vote "yea," and the Senator from South Carolina would vote "nay."

The result was announced—yeas 28, nays 30, as follows:

YEAS—28

Bricker	Byrd	Case
Butler, Md.	Capehart	Dirksen

Douglas
Duff
Dworschak
Eastland
Ferguson
Flanders
Frear
Hendrickson

Anderson
Carlson
Chavez
Clements
Cordon
Ecton
Hayden
Hennings
Hill
Hunt

Aiken
Bennett
Benton
Brewster
Bridges
Butler, Nebr.
Cain
Connally
Ellender
Fulbright

Hoey
Holland
Kem
Knowland
Langer
Millikin
Mundt
Nixon

NAYS—30

Johnson, Colo.	Morse
Johnson, Tex.	Murray
Johnston, S. C.	Neely
Kerr	O'Mahoney
Kilgore	Robertson
Magnuson	Russell
Malone	Saltonstall
McFarland	Stennis
McKellar	Underwood
Monroney	Young

NOT VOTING—38

George	Long
Gillette	Martin
Green	Maybank
Hickenlooper	McCarran
Humphrey	McCarthy
Ives	McClellan
Jenner	McMahon
Kefauver	Moody
Lehman	Pastore
Lodge	Smathers

Smith, N. J.
Smith, N. C.
Sparkman

Tobey
Watkins
Welker

Wherry
Wiley

So Mr. DOUGLAS' amendment to the committee amendment was rejected.

RECESS TO MONDAY

Mr. McFARLAND. I move that the Senate stand in recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 4 o'clock and 29 minutes p. m.) the Senate took a recess until Monday, July 23, 1951, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate July 20 (legislative day of June 27), 1951:

ASSISTANT TO THE SECRETARY OF DEFENSE

Frank C. Nash, of the District of Columbia, to be Assistant to the Secretary of Defense, Mutual Defense Assistance, vice Maj. Gen. James H. Burns, resigned.

House of Representatives

FRIDAY, JULY 20, 1951

The House met at 11 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou whose grace and goodness are universal, impartial, and everlasting, we pray that we may be more worthy and appreciative of our blessings.

Grant that our beloved country may be rich and great not only in the possession and power of material resources but in the lofty principles of righteousness and justice, of freedom and fraternity, and of loyalty and obedience to Thy divine will.

We beseech Thee that the life of our citizens may be rooted more firmly in the moral and spiritual realities which alone will enable us to remain strong and steadfast in times of crisis and confusion.

Inspire us with a greater respect and reverence for the laws which Thou hast ordained and revealed and may we believe that they are as binding upon the state as upon the individual.

Hear us in the name of our blessed Lord in whom we find cleansing from sin, comfort in sorrow, faith for today, and hope for the unknown future. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Landers, its enrolling clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 2416. An act relating to exclusion from gross income of income from discharge of indebtedness.

The message also announced that the Senate insists upon its amendments to the foregoing bill; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BYRD, Mr. KERR, Mr. JOHNSON of Colorado, Mr. MILLIKIN, and Mr. TAFT to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 630. An act to suspend until August 15, 1951, the application of certain Federal laws with respect to an attorney employed by the Senate Committee on Labor and Public Welfare.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 11) entitled "An act to provide for the appointment of conservators to conserve the assets of persons of advanced age, mental weakness, not amounting to unsoundness of

mind, or physical incapacity"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PASTORE, Mr. SMITH of North Carolina, and Mrs. BUTLER of Maryland to be the conferees on the part of the Senate.

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States No. 52-2.

CONSERVATION OF OUR NATURAL RESOURCES

(Mr. SMITH of Mississippi asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. SMITH of Mississippi. Mr. Speaker, all of the elements of our economy interested in a sound program for the conservation of our natural resources are disturbed over the rapid depletion of our natural gas. The supply of this fuel is not inexhaustible and if intelligent measures to establish a conservation program are not put into effect soon future generations will feel the effect of our present-day short-sightedness.

Many of us who live near the natural gas fields are also concerned about the manner in which gas from these fields is being transported and stored in the depleted gas fields in other sections. If this practice continues, our existing fields will be exhausted without material benefit to those areas from which the gas is derived.

Many of the great transmission companies appear to be overlooking their duty as a public utility in adequately meeting their responsibility and obligation to the States which make their construction and operation possible. In many cases this exhaustible natural resource is proposed to be used to generate power in sections that lie in the midst of unlimited coal supplies. Certainly this is a fallacious conservation policy.

In an effort to focus attention upon this grave problem, I have introduced a bill to amend the Federal Natural Gas Act with respect to extensions of service. This proposed amendment would provide that the Federal Power Commission cannot approve of additional facilities without certification that the proposed new service can be rendered without impairment of the ability of the natural-gas company to satisfy existing and developing demands in the territory or territories which it is already obligated to serve.

This is merely an extension of a fundamental American policy that public utilities must fully serve the need for which they are approved. It would in no wise impair the sound development of new markets for natural gas, and, at the same time, it would help to develop a more sound conservation policy for this great natural resource.

I shall urge the Committee on Interstate Commerce to give prompt consideration to this bill. The petroleum supply of this country is by no means inexhaustible, and, in this time of mobilization of our resources for defense, we should take full cognizance of the dangers involved in the wasteful exploitation of our natural gas.

SPECIAL ORDER GRANTED

Mr. ROGERS of Massachusetts asked and was given permission to address the House today for 5 minutes, following the legislative business of the day and any other special orders heretofore entered.

CALL OF THE HOUSE

Mr. PATMAN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. SPENCE. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 117]

Bentsen	Hays, Ark.	Radwan
Boggs, La.	Herter	Scott, Hardie
Breen	Hollifield	Scrivner
Busbey	Horan	Shafer
Chatham	Kelley, Pa.	Steed
Dawson	Kennedy	Stockman
Dingell	McCormack	Sutton
Durham	Miller, Calif.	Towe
Gavin	Murdock	Velde
Gillette	Murphy	Wood, Idaho
Golden	Murray, Wis.	Woodruff
Gossett	Norblad	Zablocki
Hart	Passman	
Havenner	Powell	

The SPEAKER. On this roll call 389 Members have answered to their names. A quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

AMENDMENTS TO THE DEFENSE PRODUCTION ACT OF 1950

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 3871) to amend the Defense Production Act of 1950, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the fur-

82D CONGRESS
1ST SESSION

H. R. 3282

IN THE HOUSE OF REPRESENTATIVES

JULY 27, 1951

Ordered to be printed with the amendments of the Senate numbered

AN ACT

Making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank of Washington for the fiscal year ending June 30, 1952, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **TITLE I—TREASURY DEPARTMENT**

4 That the following sums are appropriated, out of any money
5 in the Treasury not otherwise appropriated, for the Treasury
6 Department for the fiscal year ending June 30, 1952,
7 namely:

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

For necessary expenses in the Office of the Secretary, including the bookbindery; the operation and maintenance of the Treasury Building and Annex thereof; and the purchase of uniforms for elevator operators; ~~(1)\$2,400,000~~ \$2,565,278 ~~(2)~~, of which not to exceed \$2,255,712 shall be available for personal services.

DAMAGE CLAIMS

For payment of claims (except those under the Bureau of Engraving and Printing) pursuant to law (28 U. S. C. 2672), \$25,000.

BUREAU OF ACCOUNTS

SALARIES AND EXPENSES

For necessary expenses including contract stenographic reporting services, ~~(3)\$1,850,000~~ \$2,050,000: *Provided*, That Federal Reserve banks and branches may be reimbursed for necessary expenses incident to the deposit of ~~(4)withheld~~ taxes in Government depositories.

SALARIES AND EXPENSES, DIVISION OF DISBURSEMENT

For necessary expenses of the Division of Disbursement, ~~(5)\$11,050,000~~ \$11,775,000.

BUREAU OF THE PUBLIC DEBT

ADMINISTERING THE PUBLIC DEBT

For necessary expenses connected with any public-debt operations authorized by the Second Liberty Bond Act, as amended (31 U. S. C. 760-762), and with the administration of any public debt or currency issues of the United States with which the Secretary of the Treasury is charged, ~~(6)\$49,000,000~~ \$51,993,704 ~~(7)~~, of which not to exceed \$17,219,616 shall be available for personal services, to be expended as the Secretary of the Treasury may direct, and the Secretary is authorized to accept services without compensation: *Provided*, That Federal Reserve banks and branches may be reimbursed for expenditures as fiscal agents of the United States on account of public-debt transactions for the account of the Secretary of the Treasury, and advances to the Postmaster General may be made in accordance with the provisions of section 22 (e) of the Second Liberty Bond Act, as amended (31 U. S. C. 757c (e)) : *Provided further*, That the indefinite appropriation provided by section 10 of said Act, as amended, shall not be available for obligation during the current fiscal year.

1 OFFICE OF THE TREASURER

2 SALARIES AND EXPENSES

3 For necessary expenses of the Office of the Treasurer,
 4 ~~(8)\$20,500,000~~ \$20,868,165 ~~(9)~~, of which not to exceed
 5 \$4,404,868 shall be available for personal services.

6 CONTINGENT EXPENSES, PUBLIC MONEYS

7 For the collection, safekeeping, transfer, and disburse-
 8 ment of the public money and securities of the United
 9 States, ~~(10)\$475,000~~ \$500,000.

10 BUREAU OF CUSTOMS

11 SALARIES AND EXPENSES

12 For expenses necessary for collecting the revenue from
 13 customs, enforcement of navigation laws under section 102,
 14 Reorganization Plan Numbered III of 1946, and of other
 15 laws enforced by the Bureau of Customs, and the detection
 16 and prevention of frauds, including not to exceed \$100,000
 17 for the securing of information and evidence; transportation
 18 and transfer of customs receipts from points where there are
 19 no Government depositories; examination of estimates of
 20 appropriations in the field; expenses of attendance at meet-
 21 ings of organizations concerned with the purposes of this
 22 appropriation; purchase of one hundred passenger motor
 23 vehicles for replacement only; expenses of seizure, custody,
 24 and disposal of property; arms and ammunition; and not to
 25 exceed ~~(11)\$1,000,000~~ \$1,086,930 for personal services in

1 the District of Columbia exclusive of ten persons from the
2 field force authorized to be detailed under law (19 U. S. C.
3 1525) ; ~~(12)\$36,825,000~~ \$37,949,700.

4 BUREAU OF INTERNAL REVENUE

5 SALARIES AND EXPENSES

6 For necessary expenses in assessment and collection of
7 internal-revenue taxes; administration of the internal-revenue
8 laws; discharge of functions imposed upon the Commissioner
9 of Internal Revenue by or pursuant to other laws; investiga-
10 tions concerning the enrollment or disbarment of practitioners
11 before the Treasury Department in internal-revenue matters;
12 and acquisition, operation, maintenance, and repair of prop-
13 erty under title III of the Liquor Law Repeal and Enforce-
14 ment Act (40 U. S. C. 304f-m), including expenses, when
15 specifically authorized by the Commissioner, of attendance
16 at meetings of organizations concerned with internal-revenue
17 matters; purchase (not to exceed three hundred for replace-
18 ment only) and hire of passenger motor vehicles ~~(13)~~ *and in*
19 *addition to the number of passenger motor vehicles provided*
20 *for herein, the Bureau may use not to exceed twenty pas-*
21 *senger motor vehicles acquired through seizure as provided*
22 *for by law*; examination of estimates of appropriations in
23 the field; services as authorized by section 15 of the Act of
24 August 2, 1946 (5 U. S. C. 55a), and of expert witnesses
25 at such rates as may be determined by the Commissioner of

1 Internal Revenue; expenses of seizure, custody, and disposal
 2 of property; purchase of chemical analyses and expenses of
 3 testimony thereon; ammunition; securing of information and
 4 evidence; and not to exceed \$500,000 for detecting and
 5 bringing to trial persons guilty of violating the internal-
 6 revenue laws or conniving at the same, as authorized by law
 7 (26 U. S. C. 3792); ~~(14)\$252,000,000~~ \$255,000,000:
 8 *Provided*, That the amount for personal services in the Dis-
 9 trict of Columbia shall not exceed \$17,700,000.

10 ADDITIONAL INCOME TAX ON RAILROADS IN ALASKA

11 For the payment to the Treasurer of Alaska of an
 12 amount equal to the tax of 1 per centum collected on the
 13 gross annual income of all railroad corporations doing busi-
 14 ness in Alaska, on business done in Alaska, which tax is in
 15 addition to the normal income tax collected from such cor-
 16 porations on net income, the amount of such additional tax
 17 to be applicable to general Territorial purposes, \$8,000.

18 BUREAU OF NARCOTICS

19 SALARIES AND EXPENSES

20 For expenses necessary to enforce sections 2550-2565;
 21 2567-2571; 2590-2603; 3220-3228; 3230-3238 of the In-
 22 ternal Revenue Code; the Narcotic Drugs Import and Export
 23 Act, as amended (21 U. S. C. 171-184); the Act of June
 24 14, 1930 (5 U. S. C. 282-282c and 21 U. S. C. 197-198)

1 and the Opium Poppy Control Act of 1942 (21 U. S. C.
 2 188-188n), including services as authorized by section
 3 15 of the Act of August 2, 1946 (5 U. S. C. 55a) ;
 4 purchase of chemical analyses and testimony thereon; ex-
 5 penses of seizure, custody, and disposal of property; hire of
 6 passenger motor vehicles; arms and ammunition; not to
 7 exceed \$10,000 for the collection and dissemination of in-
 8 formation and appeal for law observance and law enforce-
 9 ment, including cost of printing; securing of information
 10 and evidence; and not to exceed \$10,000 for services or
 11 information looking toward the apprehension of narcotic
 12 law violators who are fugitives from justice; ~~(15)\$2,025,000~~
 13 \$2,100,000.

14 BUREAU OF ENGRAVING AND PRINTING

15 For working capital for the Bureau of Engraving and
 16 Printing Fund established by the Act of August 4, 1950
 17 (Public Law 656), ~~(16)\$3,000,000~~ \$3,500,000: *Provided,*
 18 That hereafter, in order to foster competition in the manu-
 19 facture of distinctive paper for United States currency and
 20 securities, the Secretary of the Treasury is authorized, in his
 21 discretion, to split the award for such paper between the two
 22 bidders whose prices per pound are the lowest received after
 23 advertisement.

SECRET SERVICE DIVISION

SALARIES AND EXPENSES

For expenses necessary in detecting, arresting, and delivering into other custody dealers and pretended dealers in counterfeit money, persons engaged in counterfeiting, forging, and altering United States notes, bonds, national bank notes, Federal Reserve notes, Federal Reserve bank notes, and other obligations and securities of the United States and of foreign governments (including endorsements thereon and assignments thereof), as well as the coins of the United States and of foreign governments, and persons committing other crimes against the laws of the United States relating to the Treasury Department and the several branches of the public service under its control; for the protection of the person of the President, the members of his immediate family, the Vice President, and of the person chosen to be President of the United States; purchase (not to exceed thirty-five for replacement only) and hire of passenger motor vehicles; arms and ammunition; and not to exceed \$20,000, with the approval of the Chief of the Secret Service, for services or information looking toward the apprehension of criminals; ~~(17)\$2,475,000~~ \$2,550,000.

SALARIES AND EXPENSES, WHITE HOUSE POLICE

For necessary expenses, including uniforms and equipment, and arms and ammunition, purchases to be made in

1 such manner as the President may determine, \$647,000:
 2 *Provided*, That this appropriation shall be available for the
 3 employment of additional personnel without regard for the
 4 limitation contained in section 2 of the Act of August 15,
 5 1950 (Public Law 693).

6 SALARIES AND EXPENSES, GUARD FORCE

7 For necessary expenses of the guard force for Treasury
 8 Department buildings in the District of Columbia, and else-
 9 where, including purchase, repair, and cleaning of uniforms;
 10 and arms and ammunition; (18)\$400,000 \$450,000:
 11 *Provided*, That funds may be advanced or reimbursed to
 12 this appropriation from the Bureau of Engraving and Print-
 13 ing to cover service rendered such Bureau: *Provided further*,
 14 That the Secretary of the Treasury may detail two agents
 15 of the Secret Service to supervise such force.

16 BUREAU OF THE MINT

17 SALARIES AND EXPENSES

18 For necessary expenses at the mints at Philadelphia,
 19 Pennsylvania, San Francisco, California, and Denver, Col-
 20 orado; the assay offices at New York, New York, and
 21 Seattle, Washington; the bullion depositories at Fort Knox,
 22 Kentucky, and West Point, New York; and the Office of
 23 the Director of the Mint, and for carrying out the provisions
 24 of the Gold Reserve Act of 1934 and the Silver Purchase

1 Act of 1934, including arms and ammunition, purchase and
 2 maintenance of uniforms and accessories for guards, purchase
 3 of one passenger motor vehicle (for replacement only), cases
 4 and enameling for medals manufactured, loss on sale of
 5 sweeps arising from the treatment of bullion and the manu-
 6 facture of coins, not to exceed \$1,000 for the expenses of
 7 the annual assay commission, and not to exceed \$1,000
 8 for acquisition, at the dollar face amount or otherwise, of
 9 specimen and rare coins, including United States and foreign
 10 gold coins and pieces of gold used as, or in lieu of, money,
 11 and ores for addition to the Government's collection;
 12 ~~(19)\$4,300,000~~ \$4,965,800 ~~(20)~~, of which not to exceed
 13 \$4,259,800 shall be available for personal services.

14 COAST GUARD

15 OPERATING EXPENSES

16 For expenses necessary for the operation and mainte-
 17 nance of the Coast Guard, not otherwise provided for,
 18 including pay and allowances, as authorized by law, for
 19 commissioned officers, cadets, warrant officers, and enlisted
 20 personnel, on active duty; services as authorized by section
 21 15 of the Act of August 2, 1946 (5 U. S. C. 55a); pur-
 22 chase of not to exceed thirty-one passenger motor vehicles
 23 for replacement only; maintenance, operation, and repair
 24 of aircraft; not to exceed \$280,000 for recreation, amuse-
 25 ment, comfort, and contentment of enlisted personnel of

1 the Coast Guard, to be expended pursuant to regulations
2 prescribed by the Secretary; and examination of estimates
3 of appropriations in the field; \$162,700,000: *Provided*, That
4 the number of aircraft on hand at any one time shall not
5 exceed one hundred and thirteen exclusive of planes and parts
6 stored to meet future attrition: *Provided further*, That
7 no part of this appropriation shall be used to pay any en-
8 listed man of the Coast Guard while detailed for duty at
9 Coast Guard headquarters if such detail increases above
10 fifty-five the total number of enlisted men so detailed to
11 duty at such time: *Provided further*, That (a) the unob-
12 ligated balance of appropriation to the Coast Guard for the
13 fiscal year 1951 for "Operating expenses" shall be trans-
14 ferred on July 1, 1951, to the account established by the
15 Surplus Fund-Certified Claims Act of 1949 for payment of
16 certified claims; (b) amounts equal to the unliquidated ob-
17 ligations on July 1, 1951, against the appropriation "Operat-
18 ing expenses", fiscal year 1951, and the appropriations to
19 the Coast Guard for the fiscal year 1950 which were merged
20 therewith pursuant to the Treasury Department Appropria-
21 tion Act, 1951, shall be transferred to and merged with this
22 appropriation, and such merged appropriation shall be avail-
23 able as one fund, except for accounting purposes of the Coast
24 Guard, for the payment of obligations properly incurred
25 against such prior year appropriations and against this ap-

1 appropriation, but on July 1, 1952, there shall be transferred
 2 from such merged appropriation to the appropriation for
 3 payment of certified claims (1) any remaining unexpended
 4 balance of the 1950 appropriations so transferred, and (2)
 5 any remaining unexpended balance of the 1951 appropria-
 6 tion so transferred which is in excess of the obligations then
 7 remaining unliquidated against such appropriation.

8 ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

9 For establishing and improving aids to navigation; the
 10 purchase or construction of additional and replacement
 11 vessels and their equipment; the purchase of aircraft and
 12 their equipment; the construction, rebuilding, or extension
 13 of shore facilities, including the acquisition of sites and im-
 14 provements thereon when specifically approved by the
 15 Secretary; and for expenditures directly relating thereto,
 16 including personal services; ~~(21)\$15,000,000~~ \$15,500,000,
 17 to remain available until expended.

18 RETIRED PAY

19 For retired pay for commissioned officers, warrant
 20 officers, and enlisted personnel; for certain members of the
 21 former Life Saving Service authorized by law (14 U. S. C.
 22 431b) ; and for certain officers and employees entitled
 23 thereto by virtue of former employment in the Lighthouse
 24 Service engaged in the field service or on vessels of the
 25 Coast Guard (33 U. S. C. 763, 765) ; including the payment

1 of obligations therefor incurred during prior fiscal years;
 2 \$16,647,000.

3 RESERVE TRAINING

4 For all necessary expenses for the Coast Guard Reserve,
 5 as authorized by law (14 U. S. C. 751-762; 37 U. S. C.
 6 231-319), including expenses for regular personnel, or re-
 7 serve personnel while on active duty, engaged primarily in
 8 administration of the reserve program; ~~(22) purchase of not to~~
 9 ~~exceed eleven passenger motor vehicles;~~ and the maintenance.
 10 operation, and repair of aircraft; ~~(23) \$2,000,000~~ \$1,500,000.

11 ~~(24)~~ SEC. 102. (a) No part of any appropriation made by
 12 this title for any purpose shall be used for the payment of
 13 personal services in excess of an amount equal to 90 per
 14 centum of the amount requested for personal services for
 15 such purpose in budget estimates heretofore submitted to the
 16 Congress for the fiscal year 1952; and the total amount of
 17 each appropriation, any part of which is available for the
 18 payment of personal services for any purpose, is hereby
 19 reduced by an amount equal to 10 per centum of the amount
 20 requested in such budget estimates for personal services for
 21 such purpose. Nothing in this section shall be construed as
 22 effecting reductions beyond a reduction of 10 per centum
 23 from the budget estimates for personal services.

24 (b) This amendment shall not apply to appropriations

1 *for the Bureau of Customs, the Bureau of Internal Revenue,*
2 *the Bureau of Narcotics, the Secret Service Division, and*
3 *the Coast Guard.*

4 SEC. ~~(25)~~102 103. This title may be cited as the "Treas-
5 ury Department Appropriation Act, 1952".

6 TITLE II—POST OFFICE DEPARTMENT

7 For administration and operation of the Post Office
8 Department and the postal service, there is hereby appro-
9 priated the aggregate amount of postal revenues for the
10 fiscal year ending June 30, 1952, as authorized by law
11 (5 U. S. C. 380; 39 U. S. C. 786), together with an
12 amount from any money in the Treasury not otherwise
13 appropriated, equal to the difference between such revenues
14 and the total of the appropriations hereinafter specified and
15 the sum needed may be advanced to the Post Office Depart-
16 ment upon requisition of the Postmaster General, for the
17 following purposes, namely:

18 GENERAL ADMINISTRATION

19 For expenses necessary for general administration of the
20 postal service, operation of the inspection service, and the
21 conduct of a research and development program, including
22 services as authorized by section 15 of the Act of
23 August 2, 1946 (5 U. S. C. 55a); \$250,000 to be
24 available exclusively for procurement by contract of things
25 and services related to design, development, and construction

1 of equipment used in postal operations, and for contracts for
 2 management studies; rewards for information and services
 3 concerning violations of postal laws and regulations, current
 4 and prior fiscal years, in accordance with regulations of the
 5 Postmaster General in effect at the time the services are
 6 rendered or information furnished; purchase of one passenger
 7 motor vehicle (for replacement only) at not to exceed
 8 \$4,500; and expenses of delegates designated by the Post-
 9 master General to attend meetings and conventions for the
 10 purpose of making postal arrangements with foreign govern-
 11 ments pursuant to law and the expenses of delegates pro-
 12 vided for herein and not to exceed \$20,000 for rewards,
 13 as provided for herein, shall be paid in the discretion of
 14 the Postmaster General and accounted for solely on his
 15 certificate; **(26)**~~\$20,000,000~~ \$20,623,697 **(27)**, of which
 16 not to exceed \$17,105,765 shall be available for personal
 17 services.

18 POSTAL OPERATIONS

19 For expenses necessary for postal operations, not other-
 20 wise provided for, and for other activities conducted by the
 21 Post Office Department pursuant to law, including \$500,000
 22 to be available exclusively for manufacture and procurement
 23 of improved devices for postal operations and other activities;
 24 \$11,579,000 to be available exclusively for the purchase of
 25 trucks, tractors, and trailers; and storage and repair of

1 vehicles owned by, or under control of, units of the National
 2 Guard and departments and agencies of the Federal Govern-
 3 ment where repairs are made necessary because of utilization
 4 of such vehicles in the postal service; ~~(28)\$1,845,000,000~~
 5 *\$1,852,100,000: Provided, That during the current fiscal*
 6 *year the inventory of trucks, tractors, and trailers of the*
 7 *Post Office Department shall not exceed seventeen thousand*
 8 *five hundred such vehicles at any time.*

9 TRANSPORTATION OF MAILS

10 For payments ~~(29), current and prior fiscal years,~~ for
 11 transportation of domestic and foreign mails by air, land, and
 12 water transportation facilities, ~~(30)including current and~~
 13 *prior fiscal years,* settlements with foreign countries for
 14 handling of mail; and for expenses, exclusive of personal
 15 services, necessary for operation of Government-owned high-
 16 way post office transportation service; ~~(31)\$465,000,000~~
 17 *\$450,000,000.*

18 CLAIMS

19 For settlement of claims, pursuant to law, current and
 20 prior fiscal years, for damages (28 U. S. C. 2672; 31
 21 U. S. C. 224c) ; losses resulting from unavoidable casualty
 22 (39 U. S. C. 49) ; loss of or damage to mail, and failure to
 23 remit collect-on-delivery charges (5 U. S. C. 372; 39
 24 U. S. C. 244, 245a, 245b, 245d, 381, 382, 387) ; and

1 domestic money orders more than one year old (31 U. S. C.
2 725k) ; \$5,500,000.

3 GENERAL PROVISIONS

4 SEC. 202. Appropriations made in this title for general
5 administration and for postal operations shall be available
6 for examination of estimates of appropriations in the field.

7 SEC. 203. Appropriations made in this title, except
8 those for payment of claims, shall be available for expendi-
9 tures in connection with accident prevention.

10 SEC. 204. Appropriations made in this title available
11 for expenses of travel shall be available, under regulations
12 prescribed by the Postmaster General, for expenses of at-
13 tendance at meetings of technical, scientific, professional, or
14 other similar organizations concerned with the function or
15 activity for which the appropriation concerned is made.

16 ~~(32)SEC. 205. The Postmaster General may authorize the~~
17 ~~sale of post route and rural delivery maps, opinions of the~~
18 ~~Solicitor, and transcripts of hearings before trial examiners~~
19 ~~at such rates as he determines to be fair and reasonable.~~

20 ~~(33)SEC. 205. Section 6 of the Act entitled "An Act to re-~~
21 ~~classify the salaries of postmasters, officers, and employees,~~
22 ~~of the Postal Service; to establish uniform procedures for~~
23 ~~computing compensation; and for other purposes", approved~~
24 ~~July 6, 1945, is amended—~~

1 (1) by striking out "fifteen" wherever it appears
2 therein and inserting in lieu thereof "twenty"; and

3 (2) by striking out "one and one-quarter" wher-
4 ever it appears therein and inserting in lieu thereof "one
5 and two-thirds" and

6 (3) by adding at the end thereof a new paragraph
7 as follows:

8 "Employees in the Postal Service whose appoint-
9 ments are temporary or indefinite in character and for
10 not less than ninety consecutive days shall be granted,
11 under such regulations as the Postmaster General shall
12 prescribe, the same rights and benefits with respect to
13 annual and sick leave that accrue to regular employees,
14 and each such employee shall receive credit for one-
15 twelfth of a year for each whole calendar month such
16 employee is carried on the roll as a temporary or in-
17 definite employee: Provided, That the provision of this
18 paragraph shall not apply to substitute rural carriers."

19 The amendments made by clauses (1) and (2) of this section
20 shall be effective as of July 1, 1951, and the amendment made
21 by clause (3) of this section shall be effective as of December
22 1, 1950, but shall not apply in the case of any person who
23 has been separated from the postal service prior to the date
24 of enactment of this Act.

1 SEC. 206. This title may be cited as the "Post Office
2 Department Appropriation Act, 1952".

3 TITLE III—GOVERNMENT CORPORATIONS

4 The following corporation is hereby authorized to make
5 such expenditures, within the limits of funds and borrowing
6 authority available to such corporation, and in accord with
7 law, and to make such contracts and commitments without
8 regard to fiscal year limitations as provided by section 104
9 of the Government Corporation Control Act, as amended, as
10 may be necessary in carrying out the programs set forth in
11 the Budget for the fiscal year 1952 for such corporation,
12 except as hereinafter provided:

13 EXPORT-IMPORT BANK OF WASHINGTON

14 Not to exceed \$950,000 (to be on an accrual basis)
15 of the funds of the Export-Import Bank of Washington shall
16 be available during the current fiscal year for all administra-
17 tive expenses of the bank, including not to exceed \$25,000
18 for temporary services, as authorized by section 15 of the
19 Act of August 2, 1946 (5 U. S. C. 55a) : *Provided*, That
20 necessary expenses (including special services performed
21 on a contract or fee basis, but not including other per-
22 sonal services) in connection with the acquisition, opera-
23 tion, maintenance, improvement, or disposition of any real
24 or personal property belonging to the bank or in which

1 it has an interest including expenses of collections of pledged
2 collateral, or the investigation or appraisal of any property
3 in respect to which an application for a loan has been made,
4 shall be considered as nonadministrative expenses for the
5 purposes hereof.

6 SEC. 302. This title may be cited as the "Export-
7 Import Bank of Washington Appropriation Act, 1952".

8 TITLE IV—GENERAL PROVISIONS

9 SEC. 401. No part of any appropriation contained in
10 this Act, or of the funds available for expenditure by any cor-
11 poration included in this Act, shall be used to pay the salary
12 or wages of any person who engages in a strike against the
13 Government of the United States or who is a member of an
14 organization of Government employees that asserts the right
15 to strike against the Government of the United States, or who
16 advocates, or is a member of an organization that advocates,
17 the overthrow of the Government of the United States by
18 force or violence: *Provided*, That for the purposes hereof an
19 affidavit shall be considered prima facie evidence that the
20 person making the affidavit has not contrary to the provisions
21 of this section engaged in a strike against the Government of
22 the United States, is not a member of an organization of
23 Government employees that asserts the right to strike against
24 the Government of the United States, or that such person
25 does not advocate, and is not a member of an organization

1 that advocates, the overthrow of the Government of the
2 United States by force or violence: *Provided further*, That
3 any person who engages in a strike against the Government
4 of the United States or who is a member of an organization
5 of Government employees that asserts the right to strike
6 against the Government of the United States, or who advo-
7 cates, or who is a member of an organization that advocates,
8 the overthrow of the Government of the United States by
9 force or violence and accepts employment the salary or
10 wages for which are paid from any appropriation or fund
11 contained in this Act shall be guilty of a felony and, upon
12 conviction, shall be fined not more than \$1,000 or imprisoned
13 for not more than one year, or both: *Provided further*, That
14 the above penalty clause shall be in addition to, and not in
15 substitution for, any other provisions of existing law.

16 (34) SEC. 402. *No part of the money appropriated by this*
17 *Act or of the funds made available for expenditure by the*
18 *Export-Import Bank of Washington which is in excess of*
19 *75 per centum of the amount required to pay the compensa-*
20 *tion of all persons the budget estimates for personal services*
21 *heretofore submitted to the Congress for the fiscal year*
22 *1952 contemplated would be employed by the Treasury and*
23 *Post Office Departments and the Export-Import Bank of*
24 *Washington during such fiscal year in the performance of—*

25 (1) *functions performed by a person designated as*

1 *an information specialist, information and editorial spe-*
2 *cialist, publications and information coordinator, press*
3 *relations officer or counsel, photographer, radio expert,*
4 *television expert, motion-picture expert, or publicity*
5 *expert, or designated by any similar title, or*

6 *(2) functions performed by persons who assist per-*
7 *sons performing the functions described in (1) in draft-*
8 *ing, preparing, editing, typing, duplicating, or dissem-*
9 *inating public information publications or releases, radio*
10 *or television scripts, magazine articles, photographs,*
11 *motion pictures, and similar material,*

12 *shall be available to pay the compensation of persons per-*
13 *forming the functions described in (1) or (2).*

14 **(35)** *SEC. 403. Except for the automobiles officially assigned*
15 *to the Secretary of the Treasury and the Postmaster General,*
16 *respectively, and automobiles assigned for operation by the*
17 *Secret Service Division, no part of any appropriation con-*
18 *tained in this Act shall be used to pay the compensation of any*
19 *civilian employee of the Government whose duties consist of*
20 *acting as chauffeur of any Government-owned passenger*
21 *motor vehicle (other than a bus or ambulance), unless such*
22 *appropriation is specifically authorized to be used for paying*
23 *the compensation of employees performing such duties.*

1 SEC. (36)402 404. This Act may be cited as the
2 "Treasury and Post Office Departments Appropriation Act,
3 1952".

Passed the House of Representatives March 21, 1951.

Attest:

RALPH R. ROBERTS,
Clerk.

Passed the Senate with amendments July 27 (legislative day, July 24), 1951.

Attest: LESLIE L. BIFFLE,
Secretary.

AN ACT

Making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank of Washington for the fiscal year ending June 30, 1952, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 27, 1951

Ordered to be printed with the amendments of the
Senate numbered

power scale tended to remain the same in all three periods.

The purchasing power of earnings was consistently lower in the Soviet Union—about a fourth as great as those of United States earnings in the prewar period and about a seventh as great in both postwar studies. In Italy, Hungary, Austria, and Chile workers have been able to buy relatively little food with an hour's earnings; the indexes for these countries ranged from 24 to 38 percent of United States purchasing power. Three or four other nations were

within this range in one or two of the periods, but not in all three.

At the other extreme Australia, Norway, Canada, and Denmark consistently had the highest indexes of purchasing power relative to the United States. France was in this group in the prewar period, but its indexes for both postwar periods are much below the level of these four countries. In 1950 workers in Sweden, Great Britain, and Israel, on the other hand, moved up to positions immediately below those in the highest-purchasing-power group.

Hill	Maybank	Robertson
Hoey	McCarran	Russell
Holland	McCarthy	Schoeppel
Ives	McClellan	Smathers
Johnson, Colo.	McFarland	Smith, Maine
Johnson, Tex.	McKellar	Smith, N. C.
Kem	Millikin	Sparkman
Kerr	Monroney	Stennis
Kilgore	Moody	Underwood
Knowland	Morse	Watkins
Langer	Mundt	Wherry
Lehman	Nixon	Wiley
Lodge	O'Connor	Williams
Magnuson	O'Mahoney	Young
Malone	Pastore	

Minutes of working time required to earn enough to buy various foods in 19 foreign countries and the United States, selected periods, 1949-50

Country (and period)	Wheat flour	Pork chops	Butter	Eggs	Potatoes	Lard	Sugar and sweets
United States, March 1950.....	4	29	31	22	2	7	4
Australia, March 1950.....	4	29	30	52	3	-----	6
Austria, April 1950.....	12	161	148	124	6	94	28
Canada, March 1950.....	4	36	39	29	2	12	6
Chile, December 1949.....	13	-----	167	105	1	108	13
Czechoslovakia, December 1949:							
Ration prices.....	8	58	93	92	2	70	17
Free market prices.....	8	582	349	308	2	524	185
Denmark, October 1949.....	7	133	57	61	2	35	4
Finland, March 1950.....	12	-----	106	74	1	49	17
France, April 1950.....	17	90	169	96	1	11	25
Germany, March 1950.....	11	88	129	105	4	-----	26
Great Britain, April 1950.....	7	-----	37	66	3	22	9
Hungary, May 1950.....	17	100	160	106	4	133	40
Ireland, February 1950.....	6	156	76	94	4	33	10
Israel, February 1950.....	8	-----	40	64	3	-----	8
Italy, April 1950.....	17	120	183	102	8	66	43
Netherlands, January 1950.....	14	103	103	128	4	66	23
Norway, November 1949.....	6	142	58	75	3	-----	8
Sweden, February 1950.....	7	49	60	54	3	-----	9
Switzerland, April 1950.....	19	189	117	76	5	39	12
U. S. S. R., April 1950.....	36	304	373	291	11	-----	122

¹ Average of all pork.

² Shoulder (United States working time, 19 minutes).

³ Cutlets.

Source: Table 8 of Bureau of Labor Statistics study, Worktime Required To Buy Food, 1937-50, Monthly Labor Review, February 1951.

Mr. WHERRY. Mr. President, I inadvertently stated that all time allotted to me had been requested. I find that the Senator from Delaware wishes to speak for 2 minutes, and I yield 2 minutes to him.

Mr. WILLIAMS. Mr. President, I will speak for only 2 minutes. I wish to join the Senator from Illinois in voting against the appropriation bill for two reasons. First, I think entirely too much money is being appropriated in the bill. I cannot understand how the Senate would appropriate twice as much money for some of the programs as the farmers themselves are asking for. I point out that as the bill was reported from the Senate committee, it indicated that it was calling for \$751,000,000 appropriations this year. After 2 or 3 days of debate we have finally managed to adopt one amendment, reducing the amount by \$2,000,000. Then last night we added back \$76,000,000, which left us \$74,000,000 worse off than if we had not debated the bill at all, but had passed it as it was reported from the committee.

In addition there is \$427,000,000 by way of note cancellations, and another \$32,000,000 by way of note cancellations, provided in the bill, which are exactly the same as appropriations, so far as the taxpayers are concerned and which is not included in the above total. This will give the Secretary of Agriculture a chance again to tell the American people how he is making money on this stupid program of destroying our good, edible food when in reality the loss is

nearly \$500,000,000. I think that is wrong. I think the item should be broken down to show exactly what each agricultural commodity is costing the Government to support it at today's level, and then if the people think it is worth it, they can pay for it accordingly.

I think the housewives in the cities who are being forced to pay high prices for these food products today should know that the administration whose representatives are shedding these crocodile tears are today asking the Congress for nearly \$500,000,000 to pay for the destruction of food since the war broke out last June in Korea.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. WHERRY. All time either having been exhausted or relinquished, perhaps a request for the yeas and nays will be made, after which I shall suggest the absence of a quorum.

Mr. FERGUSON. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Clements	Ellender
Bennett	Connally	Ferguson
Benton	Cordon	Frear
Bricker	Dirksen	Gillette
Bridges	Douglas	Green
Butler, Md.	Duff	Hayden
Capehart	Dworshak	Hendrickson
Carlson	Eastland	Hennings
Chavez	Eaton	Hickenlooper

The PRESIDING OFFICER. A quorum is present.

The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. Is a motion to recommit in order at this time?

The PRESIDING OFFICER. It is in order at any time before the final passage of the bill.

The question is on the final passage of the bill. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Virginia [Mr. BYRD], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Wyoming [Mr. HUNT], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Louisiana [Mr. LONG], the Senator from Montana [Mr. MURRAY], and the Senator from West Virginia [Mr. NEELY] are absent on official business.

The Senator from Arkansas [Mr. FULBRIGHT] is necessarily absent.

The Senator from Georgia [Mr. GEORGE] is absent by leave of the Senate.

The Senator from Connecticut [Mr. McMAHON] is absent by leave of the Senate on official business of the Foreign Relations Committee.

I announce further that if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Wyoming [Mr. HUNT], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Louisiana [Mr. LONG], the Senator from Montana [Mr. MURRAY], and the Senator from West Virginia [Mr. NEELY] would vote "yea."

Mr. WHERRY. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from Nebraska [Mr. BUTLER], and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from Washington [Mr. CAIN], the Senator from South Dakota [Mr. CASE], the Senator from Pennsylvania [Mr. MARTIN], and the Senator from Idaho [Mr. WELKER] are absent on official business.

The Senator from Vermont [Mr. FLANDERS] and the Senator from New

Hampshire [Mr. TOBEY] are absent because of illness.

The Senator from Minnesota [Mr. THYE] is absent by leave of the Senate on official business.

The Senator from Ohio [Mr. TAFT] is detained on official business.

The Senator from Massachusetts [Mr. SALTONSTALL] and the Senator from New Jersey [Mr. SMITH] are absent by leave of the Senate to attend the funeral of Admiral Forrest P. Sherman.

If present and voting, the Senator from Nebraska [Mr. BUTLER], the Senator from Vermont [Mr. FLANDERS], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from New Jersey [Mr. SMITH], the Senator from Ohio [Mr. TAFT], the Senator from Minnesota [Mr. THYE], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Idaho [Mr. WELKER] would each vote "yea."

The result was announced—yeas 65, nays 6, as follows:

YEAS—65

Aiken	Hickenlooper	Monroney
Benton	Hill	Moody
Bricker	Hoey	Morse
Bridges	Holland	Mundt
Butler, Md.	Johnson, Colo.	Nixon
Capehart	Johnson, Tex.	O'Connor
Carlson	Kern	O'Mahoney
Chavez	Kerr	Pastore
Clements	Kilgore	Robertson
Connally	Knowland	Russell
Cordon	Langer	Schoeppel
Douglas	Lehman	Smathers
Duff	Lodge	Smith, Maine
Dworshak	Magnuson	Smith, N. C.
Eastland	Malone	Sparkman
Eaton	Maybank	Stennis
Ellender	McCarran	Underwood
Frear	McCarthy	Watkins
Gillette	McClellan	Wherry
Green	McFarland	Wiley
Hayden	McKellar	Young
Hennings	Millikin	

NAYS—6

Bennett	Ferguson	Ives
Dirksen	Hendrickson	Williams

NOT VOTING—25

Anderson	Humphrey	Neely
Brewster	Hunt	Saltonstall
Butler, Nebr.	Jenner	Smith, N. J.
Byrd	Johnston, S. C.	Taft
Cain	Kefauver	Thye
Case	Long	Tobey
Flanders	Martin	Welker
Fulbright	McMahon	
George	Murray	

So the bill (H. R. 3973) was passed.

Mr. RUSSELL. Mr. President, I move that the Senate insist upon its amendments, request a conference thereon with the House, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. RUSSELL, Mr. HAYDEN, Mr. O'MAHONEY, Mr. McCARRAN, Mr. ELLENDER, Mr. WHERRY, Mr. YOUNG, and Mr. FERGUSON conferees on the part of the Senate.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATIONS, 1952

The VICE PRESIDENT. Under the unanimous-consent agreement heretofore entered into, the bill (H. R. 3282), making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank of Washington for the fiscal year ending

June 30, 1952, and for other purposes, automatically comes before the Senate for consideration.

However, there are several messages from the House of Representatives which the Chair desires to lay before the Senate at this time.

AMENDMENT OF CODE RELATING TO PROCEDURE IN CONDEMNATION PROCEEDINGS

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the joint resolution (S. J. Res. 82) to amend title 28 of the United States Code so as to add thereto a chapter relating to procedure in condemnation proceedings, which were: On page 1, strike out all after line 2 over to and including line 4 on page 11; on page 11, line 5, strike out "Sec. 4. Notwithstanding" and insert "That notwithstanding"; and on page 11, line 9, after "effective" insert "until April 1, 1952."

And to amend the title so as to read: "Joint resolution to postpone the effective date of amendments to the Rules of Civil Procedure for the United States District Courts."

Mr. McCARRAN. Mr. President, the subject before us is of considerable moment. Unless the joint resolution is passed the rule of court involved will become effective at the end of this month.

I make the following motion with respect to the amendments of the House of Representatives to Senate Joint Resolution 82:

First. Agree to the House amendments Nos. 1 and 2.

Second. Disagree to the House amendment No. 3.

Third. Agree to the amendment of the House to the title of the joint resolution with an amendment, as follows: In lieu of the amended title as proposed by the House amendment, amend the title so as to read: "Joint resolution providing that the amendments to the Rules of Civil Procedure for the United States District Courts reported to the Congress by the Supreme Court on May 1, 1951, shall not become effective."

Mr. President, Senate Joint Resolution 82 was reported from the Committee on the Judiciary to the Senate as an original committee resolution on July 9, 1951. In the consideration of this resolution the committee voted unanimously to reject the rule as reported by the Supreme Court to the Congress, and by another unanimous vote reported the joint resolution to the Senate. The rule, as reported and submitted by the Supreme Court, provided for a uniform procedure relating to conduct and trial of condemnation proceedings. While the committee was of the opinion that the rule was meritorious, it had objection to section (H) of that rule, which gave the Court the discretion to determine whether or not the issue of just compensation in a condemnation proceeding should be tried before a jury or given to commissioners for that purpose. In other words, there was no right of trial by jury provided for the parties thereto should they make such a demand.

In order to attempt to carry out the intent of the Supreme Court insofar as it was compatible with the views of the Congress, the committee in Senate Joint Resolution 82 set forth all of the rule as submitted by the Supreme Court with the objectionable feature just referred to omitted therefrom, so that a jury trial could be had upon the request of any of the parties. As stated, this resolution was only an effort to carry out what the committee believed to be the intention of the Supreme Court. On July 11, 1951, the joint resolution was unanimously passed by the Senate.

The first amendment of the House to Senate Joint Resolution 82 will delete from the resolution all of the matter the Senate passed in order to carry out the intention of the Supreme Court, and under such amendment the laws relating to condemnation proceedings will remain as they have been and now are in effect. It is my feeling that the Senate can agree to this amendment for the reason that under present law in at least 41 States the right of jury trial and condemnation proceedings is afforded.

The second amendment of the House is technical in nature and has no bearing upon the merits of the joint resolution. Therefore, it is my opinion that the Senate should concur therein.

The third House amendment to the joint resolution simply postpones the effective date when the rules as submitted by the Supreme Court would go into effect. They will go into effect, under that amendment on April 1, 1952, unless there be another congressional enactment before that date. This also means that there shall be before the Congress until April 1, 1952, rules which have been reported by the Supreme Court. In my opinion, this will tend to hamstring the Court from submitting substitute rules after it has had an opportunity to re-examine the objections raised to the present rule. In addition to that feature, it is my opinion that merely postponing the effective date of the rule is tantamount to approving the rule as submitted, which in principle is in variance with the recorded desires of the Committee on the Judiciary, when it voted unanimously to reject the rule as submitted.

My motion on this amendment of the House is to disagree. If the House will recede from this amendment, the result will be that the rule will not become effective on August 1, 1951, which will leave the way clear for the Supreme Court under the law to submit another rule of procedure in condemnation proceedings on or before May 1, 1952, which is only 1 month later than the effective date of the rule as proposed by the House amendment.

The amendment to the title of the joint resolution simply reflects what will be the effect of the joint resolution in the event the House recedes from the amendment, which is proposed to be disagreed to by the Senate.

Therefore, Mr. President, I move the adoption of the motion I have heretofore made, namely, that the Senate agree to House amendments Nos. 1 and 2, that the Senate disagree to House

"(1) if such fur product or fur is not invoiced to show—

"(A) the name or names (as set forth in the Fur Products Name Guide) of the animal or animals that produced the fur, and such qualifying statement as may be required pursuant to section 7 (c) of this Act;

"(B) that the fur product contains or is composed of used fur, when such is the fact;

"(C) that the fur product contains or is composed of bleached, dyed, or otherwise artificially colored fur, when such is the fact;

"(D) that the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur, when such is the fact;

"(E) the name and address of the person issuing such invoice;

"(F) the name of the country of origin of any imported furs or those contained in a fur product;

"(2) if such invoice contains the name or names of any animal or animals other than the name or names specified in paragraph (1) (A) of this subsection, or contains any form of misrepresentation or deception, directly or by implication, with respect to such fur product or fur.

"EXCLUSION OF MISBRANDED OR FALSELY INVOICED FUR PRODUCTS OR FURS

"SEC. 6. (a) Fur products imported into the United States shall be labeled so as not to be misbranded within the meaning of section 4 of this Act; and all invoices of fur products and furs required under title IV of the Tariff Act of 1930, as amended, shall set forth, in addition to the matters therein specified, information conforming with the requirements of section 5 (b) of this Act, which information shall be included in the invoices prior to their certification under the Tariff Act of 1930, as amended.

"(b) The falsification of, or failure to set forth, said information in said invoices, or the falsification or perjury of the consignee's declaration provided for in the Tariff Act of 1930, as amended, insofar as it relates to said information, shall be an unfair method of competition, and an unfair and deceptive act or practice, in commerce under the Federal Trade Commission Act; and any person who falsifies, or fails to set forth, said information in said invoices, or who falsifies or perjures said consignee's declaration insofar as it relates to said information, may thenceforth be prohibited by the Commission from importing, or participating in the importation of, any fur products or furs into the United States except upon filing bond with the Secretary of the Treasury in a sum double the value of said fur products and furs, and any duty thereon, conditioned upon compliance with the provisions of this section.

"(c) A verified statement from the manufacturer, producer of, or dealer in, imported fur products and furs showing information required under the provisions of this Act may be required under regulations prescribed by the Secretary of the Treasury.

"NAME GUIDE FOR FUR PRODUCTS

"SEC. 7. (a) The Commission shall, with the assistance and cooperation of the Department of Agriculture and the Department of the Interior, within six months after the date of the enactment of this Act, issue, after holding public hearings, a register setting forth the names of hair, fleece, and fur-bearing animals, which shall be known as the Fur Products Name Guide. The names used shall be the true English names for the animals in question, or in the absence of a true English name for an animal, the name by which such animals can be properly identified in the United States.

"(b) The Commission may, from time to time, with the assistance and cooperation of the Department of Agriculture and Department of the Interior, after holding pub-

lic hearings, add to or delete from such register the name of any hair, fleece, or fur-bearing animal.

"(c) If the name of an animal (as set forth in the Fur Products Name Guide) connotes a geographical origin or significance other than the true country or place of origin of such animal, the Commission may require whenever such name is used in setting forth the information required by this Act, such qualifying statement as it may deem necessary to prevent confusion or deception.

"ENFORCEMENT OF THE ACT

"SEC. 8. (a) (1) Except as otherwise specifically provided in this Act, sections 3, 6, and 10 (b) of this Act shall be enforced by the Federal Trade Commission under rules, regulations, and procedure provided for in the Federal Trade Commission Act.

"(2) The Commission is authorized and directed to prevent any person from violating the provisions of sections 3, 6, and 10 (b) of this Act in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act were incorporated into and made a part of this Act; and any such person violating any provision of section 3, 6, or 10 (b) of this Act shall be subject to the penalties and entitled to the privileges and immunities provided in said Federal Trade Commission Act as though the applicable terms and provisions of the said Federal Trade Commission Act were incorporated into and made a part of this Act.

"(b) The Commission is authorized and directed to prescribe rules and regulations governing the manner and form of disclosing information required by this Act, and such further rules and regulations as may be necessary and proper for purposes of administration and enforcement of this Act.

"(c) The Commission is authorized (1) to cause inspections, analyses, tests, and examinations to be made of any fur product or fur subject to this Act; and (2) to cooperate, on matters related to the purposes of this Act, with any department or agency of the Government; with any State, Territory, or possession, or with the District of Columbia; or with any department, agency, or political subdivision thereof; or with any person.

"(d) (1) Every manufacturer or dealer in fur products or furs shall maintain proper records showing the information required by this Act with respect to all fur products or furs handled by him, and shall preserve such records for at least three years.

"(2) The neglect or refusal to maintain and preserve such records is unlawful, and any such manufacturer or dealer who neglects or refuses to maintain and preserve such records shall forfeit to the United States the sum of \$100 for each day of such failure which shall accrue to the United States and be recoverable by a civil action.

"CONDEMNATION AND INJUNCTION PROCEEDINGS

"SEC. 9. (a) (1) Any fur product or fur shall be liable to be proceeded against in the district court of the United States for the district in which found, and to be seized for confiscation by process of libel for condemnation, if the Commission has reasonable cause to believe such fur product or fur is being manufactured or held for shipment, or shipped, or held for sale or exchange after shipment, in commerce, in violation of the provisions of this Act, and if after notice from the Commission the provisions of this Act with respect to such fur product or fur are not shown to be complied with. Proceedings in such libel cases shall conform as nearly as may be to suits in rem in admiralty, and may be brought by the Commission.

"(2) If such fur products or furs are condemned by the court, they shall be disposed of, in the discretion of the court, by destruc-

tion, by sale, by delivery to the owner or claimant thereof upon payment of legal costs and charges and upon execution of good and sufficient bond to the effect that such fur or fur products will not be disposed of until properly marked, advertised, and invoiced as required under the provisions of this Act; or by such charitable disposition as the court may deem proper. If such furs or fur products are disposed of by sale, the proceeds, less legal costs and charges, shall be paid into the Treasury of the United States as miscellaneous receipts.

"(b) Whenever the Commission has reason to believe that—

"(1) any person is violating, or is about to violate, section 3, 6, or 10 (b) of this Act; and

"(2) it would be to the public interest to enjoin such violation until complaint is issued by the Commission under the Federal Trade Commission Act and such complaint dismissed by the Commission or set aside by the court on review, or until order to cease and desist made thereon by the Commission has become final within the meaning of the Federal Trade Commission Act, the Commission may bring suit in the district court of the United States or in the United States court of any Territory, for the district or Territory in which such person resides or transacts business, to enjoin such violation, and upon proper showing a temporary injunction or restraining order shall be granted without bond.

"GUARANTY

"SEC. 10. (a) No person shall be guilty under section 3 if he establishes a guaranty received in good faith signed by and containing the name and address of the person residing in the United States by whom the fur product or fur guaranteed was manufactured or from whom it was received, that said fur product is not misbranded or that said fur product or fur is not falsely advertised or invoiced under the provisions of this Act. Such guaranty shall be either (1) a separate guaranty specifically designating the fur product or fur guaranteed, in which case it may be on the invoice or other paper relating to such fur product or fur; or (2) a continuing guaranty filed with the Commission applicable to any fur product or fur handled by a guarantor, in such form as the Commission by rules and regulations may prescribe.

"(b) It shall be unlawful for any person to furnish, with respect to any fur product or fur, a false guaranty (except a person relying upon a guaranty to the same effect received in good faith signed by and containing the name and address of the person residing in the United States by whom the fur product or fur guaranteed was manufactured or from whom it was received) with reason to believe the fur product or fur falsely guaranteed may be introduced, sold, transported, or distributed in commerce, and any person who violates the provisions of this subsection is guilty of an unfair method of competition, and an unfair or deceptive act or practice, in commerce within the meaning of the Federal Trade Commission Act.

"CRIMINAL PENALTY

"SEC. 11. (a) Any person who willfully violates section 3, 6, or 10 (b) of this Act shall be guilty of a misdemeanor and upon conviction shall be fined not more than \$5,000, or be imprisoned not more than one year, or both, in the discretion of the court.

"(b) Whenever the Commission has reason to believe any person is guilty of a misdemeanor under this section, it shall certify all pertinent facts to the Attorney General, whose duty it shall be to cause appropriate proceedings to be brought for the enforcement of the provisions of this section against such person.

"APPLICATION OF EXISTING LAWS

"SEC. 12. The provisions of this Act shall be held to be in addition to, and not in substitution for or limitation of, the provisions of any other Act of Congress.

"SEPARABILITY OF PROVISIONS

"SEC. 13. If any provision of this Act or the application thereof to any person or circumstance is held invalid, the remainder of the Act and the application of such provision to any other person or circumstance shall not be affected thereby.

"EFFECTIVE DATE

"SEC. 14. This Act, except section 7, shall take effect one year after the date of its enactment."

And the Senate agree to the same.

ED. C. JOHNSON,
ERNEST W. MCFARLAND,
WARREN G. MAGNUSON, Jr.,
OWEN BREWSTER,
HOMER E. CAPEHART,
Managers on the Part of the Senate.

LINDLEY BECKWORTH,
J. PERCY PRIEST,
OREN HARRIS,
CHAS. A. WOLVERTON,
JOS. P. O'HARA,
Managers on the Part of the House.

The VICE PRESIDENT. Is there objection to the present consideration of the conference report?

There being no objection, the report was considered and agreed to.

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by me explaining the conference report.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR JOHNSON OF COLORADO

When this proposed legislation was considered by the Senate on June 21, the text of the companion Senate bill (S. 508) was substituted for the language of the House bill. In addition certain amendments offered by the junior Senator from Massachusetts [Mr. LODGE] were adopted. The House disagreed to the Senate substitute and asked for a conference.

The conferees have had two meetings, and the report has the unanimous approval of the 10-man conference committee. Briefly, the House conferees agreed to accept the Senate substitute with these exceptions: Minor changes in the nature of perfecting amendments, were made in the bill, and a substitute amendment, for the Lodge amendments, proposed by the House conferees, was adopted.

This is how the matter was handled in the Senate and in conference:

The Senate struck out all of the House bill after the enacting clause and inserted an amendment in the nature of a substitute. The House recedes from its disagreement to the amendment of the Senate, with an amendment which is a substitute for both the House bill and the Senate amendment.

While the Senate amendment was a complete substitute for the House bill the actual differences were few.

The following statement explains those provisions of the substitute agreed to in conference which differ from the bill as it passed the House.

AUTHORITY TO SUBSTITUTE LABEL

Section 4 of the bill as it passed the House provided that a fur product should be considered to be misbranded unless there was affixed thereto a label giving certain specified information. Among the information required to be given was the name, or other identification issued and registered by the Federal Trade Commission, of one or more

of the persons who manufacture the fur product for introduction into interstate commerce, introduce it into interstate commerce, sell it in interstate commerce, advertise or offer it for sale in interstate commerce, or transport or distribute it in interstate commerce.

Section 3 of the House bill prohibited the removal or mutilation of any such label, except that it was provided that any person introducing, selling, advertising, or offering for sale, in interstate commerce, or processing for interstate commerce, a fur product could substitute for the label affixed to the product a label conforming to the requirements of section 4, showing, in lieu of the name or other identification shown pursuant to section 4, the name or other identification of the person making the substitution. It was provided that any person making such a substitution should keep records showing the information on the label removed and the name of the person from whom the fur product was received.

The provisions of the Senate amendment were the same as those of the House bill, except that the privilege of label substitution was also given to an additional class of persons, that is, any person selling, advertising, or processing a fur product after the interstate movement had been completed.

The conference substitute, in section 3 (e), includes this feature from the Senate amendment, but in the interest of effective enforcement it is provided (1) that records as to substitution of labels shall be preserved for 3 years; (2) that any person failing to keep the required records shall forfeit to the United States \$100 for each day of such failure, such penalty to be recoverable in a civil action; and (3) that failure to keep such records, or substitution of a label in such manner as to misbrand the fur product, shall constitute an unfair method of competition and an unfair or deceptive act or practice under the Federal Trade Commission Act.

COUNTRY OF ORIGIN

Both the House bill and the Senate amendment provided that fur products shall be considered to be misbranded, and that furs or fur products shall be considered to be falsely or deceptively advertised or invoiced, unless certain specified information is shown in the labeling, advertising, or invoice. However, the Senate amendment contained requirements, not contained in the House bill, that the label, advertisement, or invoice show the name of the country of origin of any imported furs used in a fur product and that the advertisement or invoice show the name of the country of origin in the case of any imported fur. These requirements which were contained in the Senate amendment are included in sections 4 and 5 of the conference substitute.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATIONS, 1952

The VICE PRESIDENT. In accordance with the unanimous-consent agreement heretofore entered into, the Chair lays before the Senate the bill (H. R. 3282) making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank of Washington for the fiscal year ending June 30, 1952, and for other purposes.

The question before the Senate is on agreeing to the committee amendment on page 15, line 14. Without objection, the amendment is agreed to.

The Secretary will state the next amendment.

The next amendment was, under the subhead "Transportation of mails," on

page 15, line 20, after the word "payments", to strike out the comma and "current and prior fiscal years."

The amendment was agreed to.

Mr. DOUGLAS. Mr. President, I have just come into the Chamber. Was the appropriation on page 16, line 2, approved?

The VICE PRESIDENT. No; we have not reached that yet. The committee amendment on page 15, line 14, was agreed to. Also, without objection, the committee amendment on page 15, line 20, was agreed to.

The Secretary will state the next amendment.

The next amendment was, on page 15, in line 22, after the word "facilities", to insert "including current and prior fiscal years."

The amendment was agreed to.

The next amendment was, on page 16, line 2, after the word "service", to strike out "\$465,000,000" and insert "\$466,000,000."

Mr. DOUGLAS. I call up my amendment B, July 26, 1951, which has been misprinted. As printed, it is addressed to House bill 3973. It should be House bill 3282.

The VICE PRESIDENT. The Secretary will state the amendment.

The LEGISLATIVE CLERK. On page 16, line 2, it is proposed to strike out "\$466,000,000" and insert "\$450,000,000."

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Illinois to the committee amendment.

Mr. DOUGLAS. Mr. President, last year the appropriations for transportation of mails amounted to \$438,000,000. In the pending bill the House appropriated \$465,000,000. The Senate committee has raised the figure to \$466,000,000, which is \$1,000,000 more than the House figure, and \$28,000,000 more than the appropriation of last year, or an increase of 6½ percent, although it is estimated that there will be an increase of only 3.7 percent in the volume of traffic.

Furthermore attention should be called to the fact that the requested appropriation of \$466,000,000 does not include any allowance for increased rates for mail transportation which may be authorized by the Interstate Commerce Commission. That will be taken care of in a deficiency appropriation, to follow later; so that we are being asked to appropriate 6½ percent more money for a 3.7 percent increased volume of business.

In the past, I think we have tended to take the appropriations for transportation of mails too much for granted. What happens, as we all know, is that the Interstate Commerce Commission fixes the rates for transportation of mails by the railroads and charges the cost to the Post Office. The Civil Aeronautics Board then fixes the rates for air transportation, and charges the amount to the Post Office. Also, the Maritime Administration fixes the rates on mail carried by ships, and charges the cost to the Post Office Department.

Certainly there are subsidies connected with both the transportation of air mail and the transportation of sea

mail. I have heard competent authorities express the belief that, of the \$60,000,000 paid the air lines for domestic transportation of mail, at least half this amount is a subsidy, and that, of the approximately equal amount of \$60,000,000 paid to air lines for the foreign transportation of mails, probably two-thirds is a subsidy; so that, in effect, the Post Office is being saddled with a \$70,000,000 subsidy.

I know that the Civil Aeronautics Board is passing on the question whether, in the case, I believe, of the four major air lines, it cannot segregate the actual expense of carrying the mails from the subsidy, and we hope a ruling may be handed down. But what we have done, I am afraid, has been to turn the Post Office over to these three regulatory bodies, which are peculiarly susceptible to pressure from the airlines, from the ocean shipping companies, and from the railroads, respectively, which can fix any rates they wish, and the Post Office must pay the bill.

I believe that in the long run Congress should exercise a much closer degree of supervision over these alleged regulatory bodies, which in my judgment have been taking the Post Office for something of a ride. If it is necessary, as it may well be, to pay some subsidies to the airlines in order to maintain them for purposes of potential national defense, and some subsidies to the ship operators for similar purposes, at the very least the amounts of the subsidies should be segregated from the actual cost plus a fair profit for transporting the mail; so that we may know precisely what the subsidy amounts to. It would seem to me, as a matter of fact, that in such an event we should not ask the Post Office to bear the subsidy, but that it should be charged to the Defense Department, and should be a direct item.

Now, Mr. President, I should like to ask this question: Why should we vote money to take care of an increase in volume of postal business before we know whether there is actually going to be an increase in volume? Some days ago I pointed out that the Post Office and Civil Service Committee has pending before it a bill to increase postal rates. There has been great difficulty in getting a bill on this subject from that committee. During past years, when such a bill has been reported from the committee, it has been returned to the committee, and never gets up from the cellar for a vote. I know some of the difficulties connected with this matter, and some of the forces which are operating. Nevertheless, I hope that a postal rate increase bill will be passed by the Congress at this session in order that the subsidies to the newspapers and magazines, the direct-mail advertisers, the mail-order houses, those who use parcel post, or the users of second-, third-, or fourth-class mail, the cost of which now amounts to \$300,000,000 a year at least, can be either completely eliminated or greatly curtailed. When that happens—and I pray to God it may happen—the increase of rates will certainly diminish the volume of the mail. If the rates on fourth-class matter are increased, the express companies

will get a much larger share of the traffic. If the rate on second-class matter on newspapers and magazines is increased, it will be found that trucks will be used to a much greater degree in distributing issues of newspapers and magazines from metropolitan centers, and the strain upon the post office will be lessened. Increased rates on third class, or unsealed advertising matter generally, will certainly bring about a decrease in the volume of direct mail advertising. So that if we get this vitally necessary reform adopted, instead of the volume increasing by 3.7 percent, there is every prospect that the volume will decrease.

What I am proposing is really very modest. We should not increase the appropriations, by 6½ percent, to take care of an expected 3.7-percent increase in volume, which may well never occur. My proposal is that we make an increase of only a little more than 2½ percent above last year, and save \$16,000,000; because the more money we put into the kitty, the more money will be available for distribution.

Mr. President, here is a chance to save \$16,000,000. I very much hope that the amendment will be agreed to.

Mr. KILGORE. Mr. President, during World War I, I heard a story of a farmer who undertook to feed his cow on sawdust by placing green glasses over her eyes. She learned to eat the sawdust, but, unfortunately, she died. It is all right to indulge in wishful thinking about increased mail rates, but we are asking the Post Office Department to do something which I very greatly fear is "passing the buck." We are sitting back and not taking action on raising rates, but are gazing into a crystal ball and endeavoring to force a raise of rates by cutting down on funds for the transportation of the mail.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. KILGORE. Not at this time.

The VICE PRESIDENT. The Senator from West Virginia declines to yield.

Mr. KILGORE. Last year the Appropriations Committee recommended and the Senate approved funds for investigation of airmail rates. That job was entrusted to a committee of the United States Senate. Up to this time there has been no report. Two years previously the Appropriations Committee recommended and the Congress approved the expenditure of money by the CAB, with an audit, so we could determine how much subsidy there was and how much was truly from airmail haulage. As yet there has been no report on that matter. It is true that there are subsidies, but we cannot tell how much they amount to.

Mr. President, we cannot increase the income from a dairy by reducing the feed of the cows. We increase the income by feeding the cows better and getting a larger production of milk. In this case, the \$1,000,000 which was recommended by the committee—

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. KILGORE. Not at this time. I was somewhat amused when my good friend, the senior Senator from Illinois

[Mr. DOUGLAS] asked how we could estimate the increase of mail. In 1947 there was an increase of 3.06 percent in the number of pieces of mail handled. In 1948 there was an increase of 7.62 percent. There was an increase in 1949 of 8.13 percent. There was an increase in 1950 of 5.25 percent. In 1951 there is an increase of 2.77 percent. In 1952 the increase is estimated at 3.77 percent, which I think is an extremely conservative estimate.

Mr. President, transportation charges must be paid in accordance with laws passed by Congress, not in accordance with the wishful thinking of any starry-eyed economizers who are contemplating that bills increasing postal rates are going to pass.

The committee and the subcommittee took into consideration the fact that in October there will be increased revenue from parcel post. But Congress cannot take credit for any additional revenue. That was accomplished by the Interstate Commerce Commission. Until we ourselves correct the evil of which we complain we shall have to ask the taxpayers to pay the fiddler. If the mails are to continue to carry such a vast quantity of personal advertising, someone must pay for it. I think Congress, which appropriates the money, cannot shirk its responsibilities by simply saying to the Postmaster General, "You can have just so much money regardless of what the bills are." He has to curtail at some point in order to operate his Department. But on the transportation bills he cannot curtail. That is an uncontrollable item which is fixed by law and by regulation. He cannot go to the CAB and say, "You have got to cut this." The CAB fixes the rate, and he is bound by it. Why? Because the Congress of the United States passed a law to that effect. He is not to blame.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. KILGORE. I did not disturb the Senator from Illinois when he was speaking.

The VICE PRESIDENT. The Senator from West Virginia declines to yield.

Mr. KILGORE. Mr. President, the last time we discussed this bill a statement was made by a Senator who I know was not endeavoring to mislead anyone, although I think he had been slightly misled. He said the Post Office Department had declined or refused or failed to apply for any war-surplus trucks. As a matter of fact, the Post Office Department did apply for 4,525 trucks, but succeeded in getting only 1,185. What happened to the others I do not know. They were a type of truck not adapted to the postal service, but they were used, nevertheless, instead of buying new trucks.

The statement was also made that the Department had refused to obtain surplus typewriters when they were being given away. The actual fact is that the Department applied to the Surplus Property Board to purchase 800 typewriters. They were not being given away. It cost \$28 apiece to change the type, because they were of a special design for Army use. So they would cost

\$76 apiece; and at that time the Post Office Department was able to buy new typewriters at \$76 apiece.

Mr. President, it is very easy to make charges of that kind, but I want the RECORD to show that the Postmaster General has not been derelict in his duty in that regard.

It seems to me we come with not exactly the cleanest of hands when we endeavor to say to the Postmaster General, "You do something which we do not have the intestinal fortitude to do." That was why the subcommittee and the committee added the million dollars. We found the service would probably cost a million dollars, and we hoped the Department could get by with that amount, after the cut made by the House. The appropriation recommended by the Appropriations Committee is still under the budget estimate. According to our estimate, the appropriation would permit the Department to operate and make sure that the mails were carried.

Members of the Senate know that the only mail which pays its way is first-class mail. Efforts have been made to increase postal rates, but the bills never get out of committee. So what chance have we of rapping the Postmaster General and his staff over the knuckles with an arbitrary cut when we ourselves have not done the very job about which we complain?

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. KILGORE. I yield to the Senator from Illinois.

Mr. DOUGLAS. Does the Senator from West Virginia mean to say that the newspaper lobby, the magazine lobby, the direct-mail-advertising lobby, the mail-order lobby are more powerful than the people of the United States, and that they can keep postal-rate-increase bills bottled up in committee forever?

Mr. KILGORE. I may say to the Senator from Illinois that I am not a member of the Committee on Post Office and Civil Service. Therefore, I do not know what malignant influences or what benign influences are at work there. But I know that no such bill has reached the calendar, and until a bill reaches the calendar, is passed by Congress, and is signed by the President and becomes law, the Postmaster General is hog-tied.

Mr. DOUGLAS. I have observed that no bill has reached the calendar, but is it not true that if we were to cut down on the amount of the appropriations for carrying the mails there might be a little stimulation so that such a bill or bills will reach the calendar and will be passed?

Mr. KILGORE. Very well; we can put green glasses on the cow and feed her sawdust, but the transportation costs will continue, and the Postmaster General will not be able to pay the bills. When he receives a bill, he must pay the bill, or pay interest on the amount involved, and interest sometimes runs up to a sizable amount.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. CARLSON. I should like to make a brief observation. There has been some discussion about getting on the

calendar and to the Senate floor a bill increasing postal rates. I am a member of the Committee on Post Office and Civil Service, and I wish to tell the Senator that the committee has approved a postal rate increase bill, and it will be on the calendar in a few days.

Mr. KILGORE. I may say to the Senator from Kansas that in some quarters it may be customary to start cutting up a steak—well, I will not speak of steak, because it is too expensive, but I will say horse meat instead—before one has been to the meat market to buy it. A saving cannot be effected until the necessary legislation has actually been passed. I have the utmost respect for the Senator from Kansas. I believe he has tried to do his very best, and I know other members of the Post Office and Civil Service Committee are trying to do their very best, but, as I said, we cannot begin cutting up a steak—I believe I changed that to horse meat—until the necessary legislation has been passed.

Mr. CARLSON. Mr. President, will the Senator again yield?

Mr. KILGORE. I yield.

Mr. CARLSON. It is not my intention to get into any discussion of the merits or demerits of the amendment of the Senator from Illinois. I merely wanted to say that the Senator from West Virginia can be assured that a postal rate increase bill will be placed on the Senate Calendar before very long.

Mr. KILGORE. I certainly hope that the wishes of the Senator from Kansas for the welfare and betterment of the taxpayers of this Nation will be fulfilled. But, based upon experiences in the past few years, I am not too hopeful.

For the reason stated, Mr. President, I hope the amendment offered by the Senator from Illinois will not be agreed to, and that the committee amendment will be approved.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Illinois [Mr. DOUGLAS] to the committee amendment, on page 16, line 2, to strike out "\$466,000,000" and insert in lieu thereof "\$450,000,000." [Putting the question.]

Mr. KILGORE. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hickenlooper	Mouroney
Bennett	Hill	Moody
Benton	Hoe	Morse
Bricker	Holland	Mundt
Bridges	Hunt	Nixon
Butler, Md.	Ives	O'Connor
Byrd	Johnson, Colo.	O'Mahoney
Cain	Johnson, Tex.	Pastore
Carlson	Kem	Robertson
Clements	Kerr	Russell
Connally	Kilgore	Schoeppel
Cordon	Knowland	Smathers
Dirksen	Langer	Smith, Maine
Douglas	Lehman	Smith, N. C.
Dworshak	Lodge	Sparkman
Eastland	Magnuson	Stennis
Eaton	Malone	Taft
Ferguson	Maybank	Underwood
Frear	McCarran	Watkins
Gillette	McCarthy	Wherry
Green	McClellan	Williams
Hayden	McFarland	Young
Hendrickson	McKellar	
Hennings	Millican	

The VICE PRESIDENT. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS] to the committee amendment on page 16, line 2.

Mr. KILGORE. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. SCHOEPPPEL (when his name was called). On this vote I have a pair with the Senator from South Carolina [Mr. JOHNSTON]. If he were present and voting, I am informed that he would vote "nay." If I were at liberty to vote, I would vote "yea." I therefore withhold my vote.

The roll call was concluded.

Mr. McCARTHY. I have a pair with the Senator from West Virginia [Mr. NEELY]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea."

I therefore withhold my vote.

Mr. JOHNSON of Texas. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senators from Louisiana [Mr. ELLENDER and Mr. LONG], the Senator from Minnesota [Mr. HUMPHREY], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Montana [Mr. MURRAY], and the Senator from West Virginia [Mr. NEELY] are absent on official business.

The Senator from Arkansas [Mr. FULBRIGHT] is necessarily absent.

The Senator from Georgia [Mr. GEORGE] is absent by leave of the Senate.

The Senator from Connecticut [Mr. McMAHON] is absent by leave of the Senate on official business of the Committee on Foreign Relations.

The Senator from New Mexico [Mr. CHAVEZ] is paired on this vote with the Senator from New Jersey [Mr. SMITH]. If present and voting, the Senator from New Mexico would vote "nay," and the Senator from New Jersey would vote "yea."

Mr. WHERRY. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from Nebraska [Mr. BUTLER], and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from Washington [Mr. CAIN], the Senator from South Dakota [Mr. CASE], the Senator from Pennsylvania [Mr. MARTIN], and the Senator from Idaho [Mr. WELKER] are absent on official business.

The Senator from Vermont [Mr. FLANDERS] and the Senator from New Hampshire [Mr. TOBEY] are absent because of illness. If present and voting, the Senator from New Hampshire [Mr. TOBEY] would vote "yea."

The Senator from Minnesota [Mr. THYE] is absent by leave of the Senate on official business.

The Senator from Massachusetts [Mr. SALTONSTALL] and the Senator from New Jersey [Mr. SMITH] are absent by leave of the Senate to attend the funeral of Admiral Forrest P. Sherman.

The Senator from Pennsylvania [Mr. DUFF] and the Senator from Wisconsin

[Mr. WILEY] are detained on official business.

On this vote the Senator from New Jersey [Mr. SMITH] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from New Jersey would vote "yea" and the Senator from New Mexico would vote "nay."

The result was announced—yeas 35, nays 33, as follows:

YEAS—35

Aiken	Gillette	Moody
Bennett	Hendrickson	Mundt
Bricker	Hennings	Nixon
Bridges	Hickenlooper	O'Connor
Butler, Md.	Hoey	Smathers
Byrd	Holland	Smith, Maine
Capehart	Ives	Stennis
Dirksen	Kem	Taft
Douglass	Knowland	Watkins
Dworhak	Lodge	Wherry
Ferguson	McClellan	Williams
Frear	Millikin	

NAYS—33

Benton	Johnson, Colo.	McKellar
Carlson	Johnson, Tex.	Monroney
Clements	Kerr	Morse
Connally	Kilgore	O'Mahoney
Cordon	Langer	Pastore
Eastland	Lehman	Robertson
Eaton	Magnuson	Russell
Green	Malone	Smith, N. C.
Hayden	Maybank	Sparkman
Hill	McCarran	Underwood
Hunt	McFarland	Young

NOT VOTING—28

Anderson	George	Neely
Brewster	Humphrey	Saltonstall
Butler, Nebr.	Jenner	Schoeppel
Cain	Johnston, S. C.	Smith, N. J.
Case	Kefauver	Thye
Chavez	Long	Tobey
Duff	Martin	Welker
Ellender	McCarthy	Wiley
Flanders	McMahon	
Fulbright	Murray	

So Mr. DOUGLAS' amendment to the committee amendment was agreed to.

The VICE PRESIDENT. The question is on agreeing to the committee amendment on page 16, line 2, as amended.

The amendment, as amended, was agreed to.

The VICE PRESIDENT. The next committee amendment will be stated.

The next amendment was, under the subhead "General provisions," on page 16, after line 24, to strike out:

SEC. 205. The Postmaster General may authorize the sale of post route and rural delivery maps, opinions of the Solicitor, and transcripts of hearings before trial examiners at such rates as he determines to be fair and reasonable.

The amendment was agreed to.

The next amendment was, on page 17, line 4, to change the section number from "206" to "205."

The amendment was agreed to.

The next amendment was, under the heading "Title IV—General provision," on page 19, after line 18, to insert a new section, as follows:

SEC. 402. No part of the money appropriated by this act or of the funds made available for expenditure by the Export-Import Bank of Washington which is in excess of 75 percent of the amount required to pay the compensation of all persons the budget estimates for personal services heretofore submitted to the Congress for the fiscal year 1952 contemplated would be employed by the Treasury and Post Office Departments and the Export-Import Bank of

Washington during such fiscal year in the performance of—

(1) functions performed by a person designated as an information specialist, information and editorial specialist, publications and information coordinator, press relations officer or counsel, photographer, radio expert, television expert, motion-picture expert, or publicity expert, or designated by any similar title, or

(2) functions performed by persons who assist persons performing the functions described in (1) in drafting, preparing, editing, typing, duplicating, or disseminating public information publications or releases, radio or television scripts, magazine articles, photographs, motion pictures, and similar material,

shall be available to pay the compensation of persons performing the functions described in (1) or (2).

PROPOSED CONSIDERATION OF CONFERENCE REPORT ON DEFENSE PRODUCTION ACT OF 1950

Mr. McFARLAND. Mr. President, if I may have the attention of the Senate I wish to make an announcement. I understand that the conferees have come to an agreement on the disagreeing votes of the two Houses on the amendments of the House to the Defense Production Act of 1950, Senate bill 1717. Quite a number of Senators have requested that the conference report be taken up this evening, in order to avoid a session tomorrow, Saturday.

The conference report has not yet been printed. Of course, the rules do not require that a conference report be printed. However, if any objection is made to taking up the conference report, it should go over until another day, until the report has been printed. It may be that when the conference report is filed, the distinguished Senator from South Carolina [Mr. MAYBANK] may move its consideration. If any Senator desires that it go over, I believe it should go over a day, until tomorrow.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. McFARLAND. Yes.

Mr. MAYBANK. I merely wish to say that I agree with the distinguished majority leader. Some discussion has been had with respect to whether the conference report should be taken up tomorrow or whether it should be postponed until Tuesday. That subject was discussed earlier today. The Defense Production Act expires on Tuesday. Inasmuch as the House requested the conference, the Senate will have to act first on the conference report. Of course, the committee is pleased to do whatever the majority leader desires to have done; but there cannot be a report until tomorrow, and I think it would be extremely unwise to attempt to take up a matter of this magnitude, which involves practically every aspect of American business and life, I may say, without having the report available.

Of course I shall ask unanimous consent to file the report during the recess of the Senate following today's session, at any time up until midnight tonight, provided I am not able to file the report before the Senate take a recess today.

The decision as to whether the Senate shall have a session tomorrow is, of course, up to the majority leader and

the minority leader. I understand that some Senators will not be here on Monday, and therefore there has been a proposal that a session be held tomorrow.

At any rate, I think it would be a mistake to take up this afternoon a matter of this magnitude, although I shall be glad to do whatever the Senate decides to do.

Mr. WHERRY. Mr. President, in view of the statement of the Senator from South Carolina I should like to ask whether it is expected to have the report before the Senate for consideration this afternoon.

Mr. MAYBANK. The report can be filed and can be printed, of course.

Mr. WHERRY. I understand that; but I wish to ask whether the majority leader intends to request consideration of the conference report this afternoon.

Mr. McFARLAND. If the chairman of the committee feels that it would be a mistake to call up the conference report for consideration, today, I certainly do not wish to move that that be done.

The VICE PRESIDENT. All this discussion is out of order, for the report cannot be considered until it is filed.

Mr. MAYBANK. Mr. President, I ask unanimous consent that I may reply.

The VICE PRESIDENT. Is there objection? Without objection, the Senator from South Carolina may proceed.

Mr. MAYBANK. I understood that an attempt was being made to arrange this matter according to the satisfaction of the Senate, and I simply wished to express my personal opinion.

At this time I ask unanimous consent that the conferees on the part of the Senate may be authorized to file the conference report during the recess following today's session, at any time up until midnight tonight.

Mr. McFARLAND. Mr. President, reserving the right to object, I wish to make it plain that, so far as I am concerned, it is quite all right for the Senate to take up the report this afternoon.

Mr. MAYBANK. I shall not object.

Mr. McFARLAND. Because I wish to accommodate the distinguished minority leader, who does not wish to have to be here tomorrow.

However, I feel that the report must be acted on promptly. On the other hand, if any Senator has any objection to considering it, I think such Senator should speak up and should let his position be known.

The VICE PRESIDENT. Is there objection to the request of the Senator from South Carolina that the committee on conference be permitted to file its report during the recess of the Senate following today's session?

Mr. WHERRY. Mr. President, reserving the right to object, although I shall not object, I wish to ask the distinguished Senator from South Carolina whether he means, by his request that the committee is authorized to file its report during the recess of the Senate, that he intends to have the report considered tomorrow, and that, therefore, there will be a session tomorrow, Saturday.

Mr. MAYBANK. Of course, that decision must be made by the majority

leader and the minority leader. I merely request that the report be considered not later than 11 a. m. on Monday, so that it then can go to the House of Representatives on Monday, and can be voted either up or down by Tuesday, because the act expires at midnight on Tuesday.

Mr. WHERRY. Mr. President—

The VICE PRESIDENT. Is the Senator from Nebraska reserving the right to object?

Mr. WHERRY. No; Mr. President, I shall not object to the request in regard to the filing of the conference report; but at this time I should like to say that my understanding of the reason why the distinguished chairman of the committee feels that the conference report should not be debated this afternoon is that he believes a printed report should be available, first.

Mr. MAYBANK. Yes.

Mr. WHERRY. However, even if the report is printed, the printed copies of it will not be available until Saturday, in any event. I realize that probably Senators will be able to go through the report and be ready to debate it by noon on Saturday; but in the final analysis, if the reason why the distinguished Senator does not want the conference report debated this afternoon is that Senators are not familiar with the report and should have an opportunity to study it, it seems to me that the only sensible arrangement would be to have the Senate take a recess from today until Monday.

Mr. MAYBANK. I shall have no objection to having that done. I only state that we cannot have the printed report here today.

I believe that the members of the conference committee will be glad to explain any or all features of the report; but I believe it would be undesirable for the Senate to consider the conference report without having the printed report available, for in that event, objection might be made on that score.

Mr. WHERRY. Mr. President, I shall not object to the request the Senator from South Carolina has made; but it seems to me that we might just as well consider the report today, rather than tomorrow; because even though the report is to be printed, it will not be available until after we have begun the debate, and we shall still depend upon the members of the conference committee to tell us what is recommended by them.

However, if the matter cannot be handled today, I shall not object.

Mr. MAYBANK. Mr. President, I have discussed the matter with the ranking member on the Republican side; and we shall be glad to abide by the decision of the Senate. In any case, we will explain the report fully.

The VICE PRESIDENT. The conference report cannot be considered until it is filed.

Mr. KNOWLAND. Mr. President, reserving the right to object, although I do not intend to object to the request of the Senator from South Carolina for authority to file the conference report following the recess or adjournment of the Senate today, let me say that I shall

object to considering the conference report without having printed copies of the report available to the Members of the Senate. There is involved a most important piece of legislation, affecting 150,000,000 Americans in various capacities and activities, both in agriculture, industry, and otherwise, and also affecting all employees and the entire basic national economy. Therefore, I do not believe the conference report should be acted upon by the Senate without having printed copies of the report available to Senators. So I shall object to having the report considered today.

The VICE PRESIDENT. There is no rule of the Senate which requires that a conference report be printed before it is considered.

On the other hand, the request now before the Senate is that the conference committee be permitted to file its report during the recess of the Senate following today's session.

Is there objection?

Mr. HOLLAND. Mr. President, reserving the right to object, I have no objection whatever to the request for the filing of the report. So far as I am concerned, I should like to see the conference report acted upon today. However, in view of the statement of the Senator from California, it would seem that tomorrow is the earliest time when we can act upon the report.

I hope very much that the majority leader and the minority leader will insist upon having a session of the Senate tomorrow, for the purpose of considering and approving the conference report, because, as is well known to every Member of the Senate, the other branch of Congress has twice within recent days refused to adopt important conference reports, and has returned these matters for further consideration by the conference committee.

We are working against a deadline, in connection with a matter which is of very great importance to the entire Nation. So it seems to me that by tomorrow noon, at the latest, the report should be considered by the Senate.

Mr. LEHMAN. Mr. President—

The VICE PRESIDENT. Is the Senator from New York reserving the right to object?

Mr. LEHMAN. Yes, Mr. President; I am reserving the right to object. Of course, I do not intend to object to the request of the Senator from South Carolina for authority to file the conference report following the session of the Senate today; but if the Senator from California had not objected, I intended to object to having the report considered today.

I wish to add my plea to that of the Senator from Florida to the majority leader and the minority leader for a session tomorrow, at which action can be taken on the conference report.

I add to that a request that the pending bill be temporarily laid aside this afternoon, so that the chairman of the committee can explain the conference report, and so that there can be comments or remarks on it by other Senators if that is deemed desirable. Certainly we would be losing time if we allowed this afternoon to pass without

giving at least informal consideration to the conference report.

The VICE PRESIDENT. There is no way to consider a conference report until it is filed. There is no way by which the Chair could even submit the conference report to the Senate until it is filed; and until the report is filed it is not in order for a Senator to move that the Senate consider it.

Mr. CAPEHART. Mr. President, reserving the right to object, I strongly urge that the Senate meet tomorrow to consider the report after it has been filed and has been printed. I think it is most important that the Senate do so.

I am fearful of delaying action on this matter until Monday, because the law expires at midnight on Tuesday, July 31, and we might well get into some sort of parliamentary difficulty between ourselves and the House of Representatives, because the House also has to approve the conference report. So I think it is most important that the Senate meet tomorrow and consider the report.

The VICE PRESIDENT. The question is on agreeing to the request of the Senator from South Carolina that the conference committee be permitted to file its report during the recess of the Senate following today's session.

Mr. LEHMAN. Mr. President, reserving the right to object—although I do not intend to object to the request of the Senator from South Carolina—let me say that I have listened to the ruling of the distinguished Vice President, and, of course, I fully respect his ruling, which is that until the report is filed, there can be no discussion of it.

However, I renew my request, and ask unanimous consent that as soon as the conference report is filed with the Senate, there be discussion of it this afternoon.

The VICE PRESIDENT. Only one unanimous-consent request can be considered at a time.

The question is on agreeing to the request of the Senator from South Carolina that the conference committee be permitted to file its report during the recess of the Senate following today's session.

Mr. WHERRY. Mr. President, I wish to ask the Senator from New York a question. I think his request should be modified so as to provide that the Senate debate the conference report, provided it is filed when the Senate is in session. It might not be filed until midnight tonight.

Mr. LEHMAN. Mr. President, reserving the right to object, I say to the distinguished minority leader that it is my impression that, by means of unanimous consent, the subject matter contained in the conference report can be discussed even before the report is filed.

The VICE PRESIDENT. The Chair would state that officially the report cannot be taken up for consideration until it is filed. If Senators wish to discuss what they think is in the report, that is another matter; but the report itself cannot be taken up for consideration until it is filed, and in view of the unanimous-consent agreement under which the Senate is operating, the Treasury and Post Office bill would have to be disposed of before the conference report could be taken up, even if it were filed.

Mr. McFARLAND. Mr. President, reserving the right to object, and I shall not object, I wish to make an announcement. We may take up the conference report tomorrow, but I wish to call attention to the fact that on the last vote 28 Senators were absent, and I desire to make a check to determine whether we can get a quorum tomorrow, before I take the responsibility of saying a session will be held.

The VICE PRESIDENT. The only question at the moment is whether there is objection to the committee's filing its report during the recess.

Mr. AIKEN. Reserving the right to object, I understood the Chair to say that there is no Senate rule requiring a conference report to be printed.

The VICE PRESIDENT. That is correct.

Mr. AIKEN. I believe the chairman can request that it be printed. I would inquire of the chairman of the Committee on Banking and Currency whether he intends to have the report printed, so that it will be available to Members of the Senate?

Mr. MAYBANK. Yes; so that it will be available to the Members of the Senate tomorrow?

Mr. AIKEN. Yes; or as soon as it can come before the Senate for action.

Mr. MAYBANK. The report will be ready for Members of the Senate as soon as the Government Printing Office can print it. I may say that unless we proceed tomorrow and get this report to the House Monday, we will encounter the possibility of the report being returned to conference, in which event there will be no law on the subject to which it relates.

Mr. AIKEN. I understand that, but I also agree with the Senator from California that Members of the Senate should have printed copies of the report before it is acted upon.

Mr. MAYBANK. I shall ask that it be printed in order that printed copies may be available tomorrow.

Mr. AIKEN. If that can be done, I shall have no objection at all to the request of the Senator from South Carolina.

Mr. MAYBANK. That is all I ask, but I certainly want to call the Senate's attention to the fact that, as the Senator well knows, the present law expires Tuesday night. The Senate must act first and after that the House must act.

The VICE PRESIDENT. Is there objection to the request that the conference committee be permitted to file its report during the recess?

Mr. AIKEN. Reserving the right to object, may I inquire whether the Printing Office is to be working tonight so that the report can be printed?

Mr. MAYBANK. The chairman of the Banking and Currency Committee will request that that be done, if we are to consider the report tomorrow.

Mr. AIKEN. I shall be satisfied if the chairman makes the request.

The VICE PRESIDENT. The Chair will state that the Government Printing Office works on Friday night, but not on Saturday.

Mr. WHERRY. I should like to ask the Senator from South Carolina, the chairman of the committee, and also members of the committee who may be present, whether the conferees have resolved their differences.

Mr. MAYBANK. There is only one matter left for decision.

Mr. WHERRY. Is the Senator reasonably sure that that can be settled sometime this afternoon?

Mr. MAYBANK. I can speak only for myself, though I think the distinguished Senator from Indiana will agree with me in this statement. Had it not been for the roll-calls in the Senate on the Agricultural, and the Post Office, and Treasury appropriation bills, and had it not been for the roll-calls in the House, I think we would already have finished our work. We would have finished it, had it not been necessary for the House Members to have a vote. The bill to which the report relates is absolutely essential. In my judgment we will conclude our work on it within an hour.

Mr. LEHMAN. Mr. President, reserving the right to object, I, of course, have no intention of objecting to the request of the distinguished chairman of the committee, but I desire to say that when unanimous consent is given today, to present the report during the recess, I shall ask unanimous consent that the distinguished chairman of the committee be permitted to discuss the contents of the report, even prior to the time the report is presented.

The VICE PRESIDENT. It is not necessary to have unanimous consent that the chairman or any other Senator may discuss a report, if he can get recognition and can get the time; but it would not be possible, even by unanimous consent, to consider the conference report until it is filed. The Chair cannot even submit a unanimous consent to take up a conference report which has not been filed.

Is there objection to the committee's filing its report during the recess of the Senate? The Chair hears none, and it is so ordered.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATIONS, 1952

The Senate resumed the consideration of the bill (H. R. 3282) making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank of Washington for the fiscal year ending June 30, 1952, and for other purposes.

The VICE PRESIDENT. The next committee amendment was stated before the discussion on the conference report, but it will be again stated for the information of the Senate.

The next amendment was, under the heading "Title IV—General provisions," on page 19, after line 18, to insert a new section, as follows:

SEC. 402. No part of the money appropriated by this act or of the funds made available for expenditure by the Export-Import Bank of Washington which is in excess of 75 percent of the amount required to pay the compensation of all persons the budget estimates for personal services heretofore submitted to the Congress for the

fiscal year 1952 contemplated would be employed by the Treasury and Post Office Departments and the Export-Import Bank of Washington during such fiscal year in the performance of—

(1) functions performed by a person designated as an information specialist, information and editorial specialist, publications and information coordinator, press relations officer or counsel, photographer, radio expert, television expert, motion-picture expert, or publicity expert, or designated by any similar title, or

(2) functions performed by persons who assist persons performing the functions described in (1) in drafting, preparing, editing, typing, duplicating, or disseminating public information publications or releases, radio or television scripts, magazine articles, photographs, motion pictures, and similar material,

shall be available to pay the compensation of persons performing the functions described in (1) and (2).

The VICE PRESIDENT. Without objection, the amendment is agreed to.

The next amendment was, on page 20, line 18, to change the section number from "402" to "403."

The amendment was agreed to.

The VICE PRESIDENT. The clerk will read the amendment which was passed over.

The LEGISLATIVE CLERK. On page 15, line 2, it is proposed to strike out "\$20,000,000" and insert "\$20,800,000."

Mr. FERGUSON. Mr. President, I send to the desk a modified amendment, which I ask to have read. It is an amendment to the committee amendment.

The VICE PRESIDENT. The clerk will read the amendment to the amendment.

The CHIEF CLERK. In the committee amendment, on page 15, line 2, it is proposed to strike out "\$20,800,000" and insert "\$19,723,394, of which not to exceed \$16,205,462 shall be available for personal services."

The VICE PRESIDENT. The Senator from Michigan is recognized for 15 minutes.

Mr. FERGUSON. Mr. President, this amendment, in its present form, simply applies the 10-percent rule to the general administration of the Post-Office Department. It applies the rule to the inspection service, which has been the principal source of controversy in consideration of this appropriation item. The Senate committee had invoked the 10-percent rule, but excepted the Bureau of Accounts and the Inspection Service. It is the purpose of this amendment to cover both of those services, as I shall explain later.

It is proposed in the budget request for this item to add 200 postal inspectors to the inspection service, and 35 clerks for a total increase of 235 positions. This would bring total employment in the field service to 1,439. The House acted to deny 120 of those positions on grounds I will discuss later. Although we are dealing in money figures here and cannot apply the 10-percent reduction to positions, if we did so we would find that the 10-percent rule would have the effect of reducing the budget request to 1,296 positions, which

is 92 more than the present number of permanent positions.

On a dollar basis, which is how this amendment and the Senate's 10-percent rule works, we would be reducing personal services in the field for the inspection service from \$7,692,500 to \$6,923,250, which is approximately \$400,000 more than was available last year. I repeat that, Mr. President. It is approximately \$400,000 more than was available last year.

In other words, notwithstanding the cut which is proposed by this amendment, the inspection service in the field would still have \$400,000 in payroll money above what it had last year, and that amount surely is enough to cut into the backlog of the work in the service upon which we have had evidence.

The principal justification for the increases in the inspection service is stated in the committee report, at page 4:

Testimony presented to the committee indicates a huge backlog of work in the inspection service and that savings of funds and improvement of service will result if additional inspectors are provided, especially for the management improvement program.

Throughout the hearings we see repeated emphasis on "the management improvement program." That is a very fine-sounding argument. But Mr. President, let me say that postal inspectors, who may detect and report bad management practices, do not of themselves bring about money saving practices and devices.

In other words, what is the use of inspectors going out to try to improve the service, making reports, and then nothing being done about them? I tried to ask a question of the distinguished chairman of the subcommittee, and he declined, on several occasions, to yield. He stated that we could not improve the service unless we added more men. That is a suggestion with which I disagree. I think I can show to the Senate that it is not correct.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. FERGUSON. I cannot yield.

What did we find in the city of Boston? We found 86 employees in the postal service drawing pay, getting other persons to check them in, and working on other jobs. Think of it! That had been going on for years. Then we hear talk about adding more inspectors. Why does the Department not use the hundreds of inspectors it already has?

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. FERGUSON. Not at the moment.

The VICE PRESIDENT. The Senator from Michigan declines to yield.

Mr. FERGUSON. The Federal grand jury has returned 24 new indictments.

It has been said that we cannot apply the 10-percent rule in this case, although in one annex in the postal department there have been 86 persons on the payroll who were not doing their work but who had other jobs from which they were drawing money. It is that kind of thing at which we are trying to strike in an effort to bring about some efficiency. That is the reason why the

Senator from Michigan does not agree with the statement that if more persons are on the payroll there will be greater efficiency.

What is wrong with the Federal Government today, so far as inefficiency is concerned, is that there are thousands and thousands too many employees. There can be greater efficiency with a smaller number who will do their work honestly, than with a vast number not performing their duties well. My statement does not mean to imply that there are not a great many hard-working employees in the departments. Many of them in the postal service in Boston were working industriously on hard tasks, but 86 of them were not doing anything. It is such conditions that the Senate must ferret out and strike down.

The Post Office Department is operating with an annual deficit of \$550,000,000, more than a half-billion dollars a year. The answer to that deficit is modernization—modern machines and practices. The answer is not a pyramiding of personnel who merely complicate and add to the deficit picture.

Economy-minded as some of us are, I am very certain that no one in Congress is going to object to any reasonable request which the Post Office Department may submit for modernized machinery and methods which are the money savers. Testifying to that fact is our complete agreement with the inclusion in the appropriation item now under consideration of \$300,000, which came to us as a supplemental request, for the rental of accounting machinery.

But mere added manpower is not the answer to the difficulties of the Post Office Department. I am again reminded of Gen. Bill Knudsen's classis comment after he came to Washington as defense production expeditor in World War II. "The trouble with Washington," he said, "is that everyone here figures an egg will hatch faster if you put two hens on the nest."

This amendment does allow a reasonable increase for the inspection service, almost \$400,000. But it reverts to the 10 percent reduction formula in all phases of the general administration or general overhead item.

Mr. President, there is no reason or logic for not applying the 10-percent rule. The Senate was so convinced that it was the proper rule to apply that by unanimous consent it sent the independent offices appropriation bill back to the committee and ordered the committee to apply it.

The amendment simply raises once again the question of whether the Senate wishes to impose that very sensible limitation upon administrative expense.

Mr. President, administrative expenses are involved. Are we going to apply the 10-percent rule, or are we going to go up the hill as we did in the case of the independent offices bill, and then come down and go into the deficit swamp? That is the question before us. I do not think the Senate will do that.

Mr. KILGORE. Mr. President, I desire to correct an inferred misquotation of my remarks by my distinguished friend from Michigan. I was speaking

about paying transportation, not about employing personnel. There was no personnel involved in the discussion. At no time have I advocated putting two hens on one nest, placing two Senators at one desk, or two postal clerks in one job. We must remember, Mr. President, that last November, in compliance with the Hoover report, the accounting formerly done by the General Accounting Office was transferred, so far as the Post Office Department was concerned. That of itself costs over \$3,185,000 a year, and employs 955 persons, 789 of whom were transferred from the General Accounting Office payroll to the Post Office payroll. This 10 percent applies to the accounting of the Post Office.

Great complaint has been made about the system in Boston. I call the attention of the distinguished Senator to the fact, if he has not already heard it, that the management surveys in his own Detroit post office last year accounted for a saving of about \$200,000. So even in Detroit they are accounting for savings.

Another matter to which I would call attention is that, since it seems to be a general impression that Democrats always favor putting more persons on the payroll and Republicans are against it, there were 1,567 employees in the administrative section of the Post Office Department in Washington in 1933, at the beginning of the year. By 1951, despite the increase in business of the Post Office Department, although at the beginning of 1933 much of the mail was made up of 1-cent postal cards, there had been an increase of only 45 employees, or to a total of 1,612.

Mr. President, I maintain that is a pretty good economy record. With the increase of business, as I cited in my previous remarks, of from 3 to 5½ percent a year, only 45 additional administrative personnel, in all categories, were appointed in the general office in Washington.

As to the addition in the number of inspectors, of whom there are only about 800 to cover the entire United States, it is generally acknowledged that the shortage of inspectors was really the cause of the scandal in the Boston office, because there was no one to check there, and when a check was made the situation had developed which was then found to exist.

Mr. President, there is pending before the Senate a bill to make up the deficit in the account of a postmaster in California. At least the California Senators and Representatives and the chamber of commerce admit that this deficit was occasioned because of lack of inspection of the post office in question.

The House committee in its report said there should be 200 more inspectors, but did not recommend appropriation of money to employ them. The Senate committee recommended an appropriation to pay for only 80 new inspectors.

Mr. ECTON. Mr. President, will the Senator yield?

Mr. KILGORE. I yield.

Mr. ECTON. Is it not true that, if the 10-percent cut in personnel were applied to this appropriation bill, the deficit would actually be increased? The

Post Office Department is a service organization, and in many instances of which I know—and I am confident the Senator from West Virginia, after listening to all the evidence, realizes this to be true—the employees who are on regular pay oftentimes actually receive less than do temporary employees. A certain amount of work has to be done day in and day out. If the service does not have the necessary number of permanent employees, temporary help must be employed to do the work, which results in increasing the cost and increasing the deficit to be provided for in a supplemental appropriation bill which will come before Congress. Is that not true?

Mr. KILGORE. I thank the Senator from Montana for his statement. In what he has said he is absolutely correct.

Mr. ECTON. Is it not true that during the past year several supplemental appropriation bills have come to Congress to take care of such deficits? If we were to make these percentage cuts, later we would have presented to us supplemental appropriation bills to provide the additional amounts needed in order to have the work properly done, so would we not be "kidding" ourselves if we made such percentage cuts?

Mr. KILGORE. Yes. I am in a way crowding to get the bill now before the Senate out of the way, so that we can clear a space for the supplemental appropriation bill which is bound to be presented, following the action on the last amendment offered by the Senator from Illinois [Mr. DOUGLAS].

Mr. ECTON. I should like to ask the Senator from West Virginia another question. I do so because I am a member of the subcommittee which handled the bill, and I also worked with the full committee when the bill was marked up. First, I wish to commend the Senator from West Virginia for the very thorough and complete study he has made of the situation affecting the Post Office Department. I am happy to say that I worked very closely with him throughout all the hearings. We considered the 10 percent cut at the beginning to see if it were possible to apply it to the bill.

I now desire to ask the Senator if it is not true that after giving the matter full and very careful study and serious consideration we decided that it was absolutely impossible to apply the cut, and if under that decision we did not go ahead and make some 5 percent cuts in various divisions where we thought it was possible to do so?

Mr. KILGORE. The Senator from Montana is absolutely correct. I call the Senate's attention to the proposal for 10 percent cuts. I may first say that I wish to compliment the Senator from Montana for the work he did in committee, and also for the broad-minded attitude he maintained during the hearings and the mark-up of the bill. I am sure the Senator will agree with me that the subcommittee in working up the bill into mark-up condition endeavored to hew to the 10 percent cut as closely as possible, while at same time making the cuts where they would not hurt the service. The Senator's statement in that connection is a correct one.

I also desire to call attention to the inspection service accounts for \$8,166,800; the Comptroller of the Bureau of Accounts, \$3,185,000. The latter is the Bureau of Accounts which audits \$18,000,000,000 worth of transactions in the Post Office Department every year. It operates mostly in the field. The Bureau heads up in the Washington office. The various other departmental salaries account for the remaining \$6,000,000 in the budget estimate. The appropriation provides for the employment of an additional 4,103, which includes the inspectors. There has been an increase of only 5 inspectors in more than 10 years, as compared to the growth of the country and the percentage increase of mail. There are only 106 in the headquarters of the Inspection Service to supervise the whole work, to make final decisions upon inspection matters, and keep the service in operation.

The total of unlisted savings due to inspection service for 1950-51, as presented to the committee in testimony, amounted for 1950 to \$8,653,000, and for 1951 to \$8,079,000. They are due to management-improvement operations and curtailment of expenses.

I also call attention to the fact that the amendment would reduce the departmental personnel expenditures to \$9,164,052, and reduce the departmental employees by 265 persons. In other words, the amendment, as originally offered, would result in a reduction in the administrative section so that the number would be less than it was at the beginning of 1933.

Senators refer to permanent and temporary employees. I call attention to the fact that the Congress of the United States in 1950 forbade the Post Office putting on any more permanent employees. Since that time everyone has had to be employed on a temporary basis. It will be found that a temporary employee is just about 50 percent efficient. In the first place, it takes time to train him. In the second place, about the time he is trained someone else offers him a little more money and he leaves, and it is necessary to train another employee. So we get about 50-percent efficiency from temporary employees. There is no incentive for them to do better work. They cost much more. As a result of these cuts, we shall have to appropriate more money when the deficiency bill comes before us, and pick up more temporary employees under the 1950 act. As has been well said by the Senator from Montana [Mr. ECTON], the result will be to increase the deficit instead of to decrease it.

There is one further point we must consider. The Post Office Department is a service organization. Its personnel consists largely of career men, from the Postmaster General down. They are men who have grown up in the service, except as to the temporary employees. I think the record of only 45 additional employees in the administrative section in 19 years gives me just cause to say that the payrolls have not been padded. That statement is especially true in the light of the additional work. It must be realized that when there is an extra

heavy sale at a few chain stores, the administrative cost goes up somewhat at the top, commensurate with the sales. Since all the items in the postal service are sales-loss leaders, with the exception of the 3-cent mail, naturally the greater the business the greater the loss, and the greater the administrative burden in Washington.

We must realize that the transportation cut recently made, and with respect to which I anticipate an almost immediate deficiency request, is not so damaging, because the Department can go ahead and pay for that item so long as it has the money, and the law provides that we must appropriate the rest of the money. But in this case the Post Office Department must immediately correct its budget by quarters. It has been operating on the basis of a 1-month's extension, but it will have to doctor up the first quarter and effectuate in 2 months the saving which, had this bill been promptly passed, would have been effectuated in 3 months. So there is a double hardship. The Department must budget, and it must cut to meet the new appropriation. No deficiency bill will take care of the Department so far as that aspect of the situation is concerned.

With respect to personnel, the headquarters office in Washington has only 4,100 employees, while the field service of the Post Office Department, which goes into every home, has more than 400,000, which the force of four-thousand-one-hundred-odd must supervise, inspect, check, control, and manage.

Mr. President, I hope that the amendment will not be agreed to, and that the committee amendment will prevail.

The PRESIDING OFFICER (Mr. HOLLAND in the Chair). The time of the Senator from West Virginia has expired. The Senator from Michigan [Mr. FERGUSON] has 5 minutes remaining.

Mr. FERGUSON. Mr. President, I am fearful that the Senator from Montana [Mr. ECTON] misspoke himself when he was talking about this amendment actually cutting service. The purpose of the amendment is not to cut postal service. It does not cut the number of postmasters. It does not cut the number of men who work in the post office. It does not cut the number of drivers on the trucks, the delivery men, or anyone else. Its purpose is to reduce the enormous overhead.

I cannot agree that the subcommittee did such a marvelous job of cutting. What it actually did in respect to this particular item under the head of general administration was to add \$4,700,000 more than last year. In the entire Post Office Department it added \$91,800,000 more than last year. That may be a job of economy, but the Senator from Michigan does not think that it is economy to add \$4,700,000 to the cost of general administration, and \$91,800,000 for the entire Department, over last year.

Mr. KILGORE. Mr. President, since I shall have no time for rebuttal, I wonder if the Senator will yield for a question at that point.

Mr. FERGUSON. Yes. I yield for a question.

Mr. KILGORE. The Senator realizes does he not, that the transfer of personnel takes care of what the Senator is talking about?

Mr. FERGUSON. There was a transfer, but it was not \$91,800,000. I am reading from the report, on page 14. It is open for all to see. I do not know where the Senator got his figures, but I have gone back to the 1933 budget. I find that the 1933 budget shows 1,277 employees. In the 1952 budget, the figure for permanent departmental employees is 2,696. If we subtract the increase in the Bureau of Accounts, which was transferred from the General Accounting Office, representing a figure of 789, we get an increase of 1,907. That is the total. So there has not been a cutting down of personnel.

It may be thought that the way to operate the Department is to add a man in Washington every time a truck driver is added in Detroit, or every time an additional employee is taken on to handle the mail. Back in 1933 the Postmaster General's office had 98 employees. Now it has 111. That is in the office of the Postmaster General alone.

What the Senator from Michigan was trying to do—

Mr. KILGORE. Does the Senator realize that that is partly due to the acceptance of the Hoover Commission recommendations?

Mr. FERGUSON. I am willing to let the Senator place that statement in the RECORD.

The Senator from Michigan is only asking the Senate to do what it has done in connection with other bills, and that is to apply the 10-percent rule to administrative expenses, and not add anything in that direction this year. The 10-percent rule means only 10 percent below the Budget. In a large department such as the Post Office, there is no reason why we cannot apply the 10-percent rule.

Mr. KILGORE. Mr. President, will the Senator yield for a question?

Mr. FERGUSON. I yield.

Mr. KILGORE. Does not the Senator think that in making his 10-percent cut he should exempt the additional inspectors necessary in the conduct of the Post Office?

Mr. FERGUSON. No.

Mr. KILGORE. The Senator wants to apply the 10 percent to the entire inspection service?

Mr. FERGUSON. Mr. President, so long as we are giving the Department \$400,000 for additional inspectors, there is no reason why the 10-percent rule cannot be applied. It is just as simple as that. I have not figured it out exactly, but I believe that sum would provide for 75 inspectors. There is something wrong if we cannot reduce the cost of the Government. We must reduce it.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The time of the Senator from Michigan has expired. The absence of a quorum is suggested, and the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hickenlooper	Moody
Bennett	Hill	Morse
Benton	Hoey	Mundt
Bridges	Holland	Nixon
Butler, Md.	Hunt	O'Connor
Carlson	Ives	O'Mahoney
Chavez	Johnson, Colo.	Pastore
Clements	Johnson, Tex.	Russell
Connally	Kem	Saltonstall
Cordon	Kerr	Schoeppel
Dirksen	Kilgore	Smith, Maine
Douglas	Langer	Smith, N. J.
Duff	Lehman	Smith, N. C.
Dworshak	Lodge	Stennis
Eastland	Magnuson	Taft
Ecton	Malone	Underwood
Ellender	McCarthy	Watkins
Ferguson	McClellan	Wherry
Gillette	McFarland	Williams
Green	McKellar	Young
Hayden	Millikin	
Hendrickson	Monroney	

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendment, as modified, of the Senator from Michigan to the committee amendment.

Mr. BRIDGES. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. MCCARTHY (when his name was called). On this vote I have a pair with the Senator from West Virginia [Mr. NEELY]. If the Senator from West Virginia were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

Mr. SCHOEPEL (when his name was called). On this vote I have a pair with the Senator from South Carolina [Mr. JOHNSTON]. If the Senator from South Carolina were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

The roll call was concluded.

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON] the Senators from Virginia [Mr. BYRD and Mr. ROBERTSON], the Senator from Delaware [Mr. FREAR], the Senator from Missouri [Mr. HENNINGS], the Senator from Minnesota [Mr. HUMPHREY], the Senators from South Carolina [Mr. JOHNSTON and Mr. MAYBANK], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Louisiana [Mr. LONG], the Senator from Nevada [Mr. MCCARRAN], the Senator from Montana [Mr. MURRAY], the Senator from West Virginia [Mr. NEELY], the Senator from Florida [Mr. SMATHERS], and the Senator from Alabama [Mr. SPARKMAN] are absent on official business.

The Senator from Arkansas [Mr. FULBRIGHT] is necessarily absent.

The Senator from Georgia [Mr. GEORGE] is absent by leave of the Senate.

The Senator from Connecticut [Mr. MCMAHON] is absent by leave of the Senate on official business of the Committee on Foreign Relations.

The Senator from Missouri [Mr. HENNINGS] is paired on this vote with the Senator from New Hampshire [Mr. TOBEY]. If present and voting, the Senator from Missouri would vote "nay", and

the Senator from New Hampshire would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from Nebraska [Mr. BURLER], and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from Washington [Mr. CAIN], the Senator from South Dakota [Mr. CASE], the Senator from Pennsylvania [Mr. MARTIN] and the Senator from Idaho [Mr. WELKER] are absent on official business.

The Senator from Vermont [Mr. FLANDERS] and the Senator from New Hampshire [Mr. TOBEY] are absent because of illness.

The Senator from Minnesota [Mr. THYE] is absent by leave of the Senate on official business.

The Senator from Ohio [Mr. BRICKER] and the Senator from Indiana [Mr. CAPEHART] are detained on official business at a meeting of the conferees on the Defense Production Act.

The Senator from California [Mr. KNOWLAND] and the Senator from Wisconsin [Mr. WILEY] are detained on official business.

On this vote the Senator from New Hampshire [Mr. TOBEY] is paired with the Senator from Missouri [Mr. HENNINGS]. If present and voting, the Senator from New Hampshire would vote "yea" and the Senator from Missouri would vote "nay."

The result was announced—yeas 29, nays 33, as follows:

YEAS—29

Bennett	Hickenlooper	Nixon
Bridges	Holland	O'Connor
Butler, Md.	Ives	Smith, Maine
Dirksen	Johnson, Colo.	Smith, N. J.
Douglas	Kem	Taft
Duff	Lodge	Watkins
Dworshak	Malone	Wherry
Ferguson	McClellan	Williams
Gillette	Millikin	Young
Hendrickson	Mundt	

NAYS—33

Aiken	Hayden	McKellar
Benton	Hill	Monroney
Carlson	Hoey	Moody
Chavez	Hunt	Morse
Clements	Johnson, Tex.	O'Mahoney
Connally	Kerr	Pastore
Cordon	Kilgore	Russell
Eastland	Langer	Saltonstall
Ecton	Lehman	Smith, N. C.
Ellender	Magnuson	Stennis
Green	McFarland	Underwood

NOT VOTING—34

Anderson	Hennings	Murray
Brewster	Humphrey	Neely
Bricker	Jenner	Robertson
Butler, Nebr.	Johnston, S. C.	Schoeppel
Byrd	Kefauver	Smathers
Cain	Knowland	Sparkman
Capehart	Long	Thye
Case	Martin	Tobey
Flanders	Maybank	Welker
Frear	McCarran	Wiley
Fulbright	McCarthy	
George	McMahon	

So Mr. FERGUSON's amendment, as modified, to the committee amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. BRIDGES. I send to the desk an amendment, which I ask to have read.

The PRESIDING OFFICER. Is this an amendment to the committee amendment?

Mr. BRIDGES. It is.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. In the committee amendment on page 15, line 2, it is proposed to strike out "\$20,800,000" and insert "\$20,623,697, of which not to exceed \$17,105,765 shall be available for personal services."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Hampshire.

Mr. BRIDGES. Mr. President, I do not wish to take much of the time of the Senate on this amendment. It is an amendment similar to the previous one. Instead of a 10-percent cut in administrative personnel, it proposes a 5-percent cut. It is a 5-percent cut purely in administrative personnel. It is a small cut, half as much as the 10-percent cut previously proposed, but it is an indication of the desire of the Congress to reduce personnel for administrative services. That, I think, tells the story as well as though I were to take 15 or 20 minutes to tell it.

Mr. UNDERWOOD. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield to the Senator from Kentucky.

Mr. UNDERWOOD. It is a meat-ax cut, though, is it not?

Mr. BRIDGES. Oh, no; it is not a meat-ax cut. It is a 5-percent cut of the administrative services of the Post Office Department. Any administrative agency which cannot absorb a 5-percent cut in personnel ought to go out of business. I ask for the yeas and nays on the amendment to the amendment.

The yeas and nays were ordered.

Mr. KILGORE. Mr. President, I should like to ask the Senator from New Hampshire one or two questions regarding the 5-percent cut. Would the Senator care to have the vote withheld temporarily, until I could ask the questions and he could answer them?

The PRESIDING OFFICER. Does the Senator from New Hampshire yield for a question?

Mr. BRIDGES. I yield.

Mr. KILGORE. Does the Senator propose a 5-percent cut of the budget estimate, or a 5-percent cut of the committee amendment?

Mr. BRIDGES. I propose a 5-percent of the budget estimate.

Mr. KILGORE. Does the Senator realize that the committee has already cut the budget estimate by 10 percent, exclusive of inspectors and the Bureau of Accounts? In other words, we cut the general administrative personnel, exclusive of inspectors and the Bureau of Accounts by 10 percent, which amounted to \$713,000. That was done in committee.

Mr. BRIDGES. We took the committee's own table and used the figure of the total estimate, and reduced personal services 5 percent, as shown on the sheet which the Senator has before him, and with which he is familiar; and I deducted 5 percent, which amounted to \$176,303. As I have said, any administrative agency which is unable to reduce its service personnel by 5 percent should go out of business;

Mr. KILGORE. If the Senator will yield, I should like to read from the committee's report:

The committee has, however, effected a reduction in personal services of 10 percent, exclusive of personal service estimates for the Inspection Service and the Bureau of Accounts.

Is the Senator's amendment addressed merely to a 5-percent cut, applicable to those not already cut below the budget estimate? Inasmuch as it is a dollars-and-cents cut, I fear it is very misleading and would be very upsetting to the Budget Bureau. If it is a 5-percent cut, in addition to the previous 10-percent cut made by the committee, the result would be a cut of 14.5 percent in administrative services, and a 5-percent cut on the other two items. Does the Senator realize that?

Mr. BRIDGES. I realize that I have no personal-service limitation in the amendment, and I realize that, on page 15 of the bill, the committee amendment proposes to strike out the House figure, \$20,000,000, and insert \$20,800,000. I am not saying that the Senator from West Virginia and the committee did not, in many instances, do a conscientious job; I think they did; but I say that when it comes to administration, it is certainly an item in connection with which we should be able to cut the personnel further; and I do not think that, after the Senate has defeated by 3 votes a 10-percent cut, it is at all out of order to have a vote on a 5-percent cut.

Mr. KILGORE. Mr. President, if the Senator from New Hampshire will yield for another question, he realizes, no doubt, that we cut the item \$713,000, and cut 120 inspectors off the budget recommendation, reducing the number of inspectors from 200 to 80; and, inasmuch as there is involved a transfer of duties to the Bureau of Accounts from the General Accounting Office, as recommended in the Hoover report, we felt we could not cut the item further, inasmuch as the personnel of the Bureau of Accounts is scattered throughout the country in various offices, auditing postal accounts of approximately \$18,000,000,000 annually.

So that is why I think it is quite an adequate cut.

Mr. BRIDGES. Let me read to the Senator from page 7 of his own report:

The committee recommends an appropriation of \$20,800,000, an increase of \$800,000 in the House bill and a reduction of \$724,000 in the budget estimates. This increase includes \$300,000 submitted in Senate Document 18, for accounting machines; and the remainder is for not less than 80 additional inspectors.

Since we cut other departments 10 percent, I do not think this is a very heavy cut.

Mr. KILGORE. Mr. President, I want it clearly understood, before voting on the amendment, that favorable action on it would impose a 5-percent cut across the board. It would adversely affect the inspection service and the accounting service, which I consider to be safeguarding services in the Department.

I should like to invite the attention of the Senator from New Hampshire to the

fact that the report imposes a 10 percent personnel limitation. We wrote it in the report, where it belongs.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. KILGORE. I gladly yield to the Senator from Massachusetts.

Mr. SALTONSTALL. With reference to the amendment offered by the Senator from Michigan [Mr. FERGUSON], I was impressed with the fact that it was a compromise. The \$300,000 is for accounting machines, and the remainder is for not less than 80 additional inspectors.

I should like to read from page 658 of the hearings:

On June 30, 1951, it was necessary to carry over to fiscal year 1951, 62 percent of the inspections which should have been performed at first-class offices during fiscal year 1950, and 30 percent of the inspections of second-, third-, and fourth-class offices. Depredation work has increased considerably. The number of arrests in fiscal year 1950 increased 19.52 percent over the previous year and were 105 percent greater than in fiscal year 1943. The number of inspectors has increased less than 2 percent since 1944 and since that time revenues have increased almost 51 percent, special service transactions almost 17 percent, and mail volume about 26 percent, and the population has increased 10 percent.

Those were the figures which impressed me as showing that it was legitimate to have some increase in the inspection force. As I understand, there would be an increase of approximately 50 inspectors to handle the tremendously increased work load. That, as I understand, was the justification for the compromise between the amount recommended by the Budget Bureau and the House figure.

Mr. KILGORE. I thank the Senator from Massachusetts. He is absolutely correct. The item of \$300,000 is an uncontrollable item for rental of machines, and the \$500,000 is included so as to provide for a sufficient number of inspectors properly to safeguard postal operations.

Mr. FERGUSON. Mr. President, I will assume the responsibility for saying a word or two, under an understanding which I had with the Senator from Nebraska [Mr. WHERRY].

I wish to invite attention to the fact that even under the 10-percent cut there would have been \$400,000 with which to hire extra inspectors. With the 5-percent cut there is much more money available for inspectors.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from New Hampshire [Mr. BRIDGES]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MCCARTHY. On this vote I have a pair with the junior Senator from West Virginia [Mr. NEELY], who is absent. If he were present and voting, he would vote "Nay." If I were permitted to vote, I would vote "yea."

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Iowa [Mr. GILLETTE], the Senator from Missouri [Mr. HENNINGS], the Senator from Min-

nesota [Mr. HUMPHREY], the Senators from South Carolina [Mr. JOHNSTON and Mr. MAYBANK], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Louisiana [Mr. LONG], the Senator from Nevada [Mr. McCARRAN], the Senator from Montana [Mr. MURRAY], the Senator from West Virginia [Mr. NEELY], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

The Senator from Arkansas [Mr. FULBRIGHT] is necessarily absent.

The Senator from Georgia [Mr. GEORGE] is absent by leave of the Senate.

The Senator from Connecticut [Mr. McMAHON] is absent by leave of the Senate on official business of the Foreign Relations Committee.

The Senator from Missouri [Mr. HENNING] is paired on this vote with the Senator from New Hampshire [Mr. TOBEY]. If present and voting, the Senator from Missouri would vote "nay," and the Senator from New Hampshire would vote "yea."

I announce further that if present and voting, the Senator from South Carolina [Mr. JOHNSTON] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from Nebraska [Mr. BUTLER], and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from Washington [Mr. CAIN], the Senator from South Dakota [Mr. CASE], the Senator from Pennsylvania [Mr. MARTIN], and the Senator from Idaho [Mr. WELKER] are absent on official business.

The Senator from Vermont [Mr. FLANDERS] and the Senator from New Hampshire [Mr. TOBEY] are absent because of illness.

The Senator from Minnesota [Mr. THYE] is absent by leave of the Senate on official business.

The Senator from Indiana [Mr. CAPEHART] is detained on official business at a meeting of the conferees on the Defense Production Act.

The Senator from California [Mr. KNOWLAND] is detained on official business.

On this vote the Senator from New Hampshire [Mr. TOBEY] is paired with the Senator from Missouri [Mr. HENNING]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from Missouri would vote "nay."

The result was announced—yeas 38, nays 29, as follows:

YEAS—38

Aiken	Ferguson	Nixon
Bennett	Frear	O'Connor
Bricker	Hendrickson	Schoeppel
Bridges	Hickenlooper	Smith, Maine
Butler, Md.	Holland	Smith, N. J.
Byrd	Ives	Stennis
Carlson	Johnson, Colo.	Taft
Cordon	Kem	Watkins
Dirksen	Lodge	Wherry
Douglas	Malone	Wiley
Duff	McClellan	Williams
Dworshak	Millikin	Young
Eastland	Mundt	

NAYS—29

Benton	Ecton	Hill
Chavez	Ellender	Hoey
Clements	Green	Hunt
Connally	Hayden	Johnson, Tex.

Kerr
Kilgore
Langer
Lehman
Magnuson
McFarland

McKellar
Monroney
Moody
Morse
O'Mahoney
Pastore

Russell
Saltonstall
Smith, N. O.
Sparkman
Underwood

NOT VOTING—29

Anderson
Brewster
Butler, Nebr.
Cain
Capehart
Case
Flanders
Fullbright
George
Gillette

Hennings
Humphrey
Jenner
Johnston, S. C.
Kefauver
Knowland
Long
Martin
Maybank
McCarran

McCarthy
McMahon
Murray
Neely
Robertson
Smathers
Thye
Tobey
Welker

So Mr. BRIDGES' amendment to the committee amendment was agreed to.

The VICE PRESIDENT. The question is on agreeing to the committee amendment on page 15, line 2, as amended.

The amendment, as amended, was agreed to.

LEAVE OF ABSENCE

On his own request, and by unanimous consent, Mr. CONNALLY was excused from attendance on the session of the Senate for the remainder of the day.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATIONS, 1952

The Senate resumed the consideration of the bill (H. R. 3282) making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank of Washington for the fiscal year ending June 30, 1952, and for other purposes.

Mr. FERGUSON. Mr. President, I call up my amendment designated 7-20-51—B, as modified, and ask that it be stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 13, between lines 12 and 13, it is proposed to insert a new section, as follows:

SEC. 102. (a) No part of any appropriation made by this title for any purpose shall be used for the payment of personal services in excess of an amount equal to 90 percent of the amount requested for personal services for such purpose in budget estimates heretofore submitted to the Congress for the fiscal year 1952; and the total amount of each appropriation, any part of which is available for the payment of personal services for any purpose, is hereby reduced by an amount equal to 10 percent of the amount requested in such budget estimates for personal services for such purpose. Nothing in this section shall be construed as effecting reductions beyond a reduction of 10 percent from the budget estimates for personal services.

(b) This amendment shall not apply to appropriations for the Bureau of Customs, the Bureau of Internal Revenue, the Bureau of Narcotics, the Secret Service Division, and the Coast Guard.

The VICE PRESIDENT. The Senator from Michigan is recognized.

Mr. FERGUSON. For the benefit of those who have printed copies of the amendment on their desks, I will say that the modification deletes reference to the guard force as being exempt from application of the amendment, for the reason that the salaries and expenses of the guard force, like the salaries and expenses of the Secret Service and the White House Police, are under the ap-

propriation item "Secret Service Division." So they are taken care of under another heading. Therefore the language on page 2 relating to the guard force is deleted from the amendment. The Secret Service Division is named in the amendment as being exempt, and that automatically exempts the guard force. I was afraid that if I left the amendment reading as an exemption for the guard force and not for the White House Police, it might be implied that no exemption was intended for the latter. That is not the case, as all three functions under the Secret Service Division are exempt. I desire to make it clear that the White House Police and the guard force and the Secret Service Division are all exempt under the amendment.

Mr. President, I believe that the argument respecting this amendment can be disposed of very briefly, because it involves a very simple, although very fundamental, issue. The amendment is consistent with the Senate action on each of the appropriation bills it has previously had before it, except for action previously taken on this bill. It proposes to impose upon the Treasury Department the rule of a 10-percent reduction in budget estimates for personal services, exclusive of law-enforcement and related activities.

The simple question is, do we record ourselves once again as favoring this 10-percent reduction in administrative payrolls, or do we not? If we do, then we adopt the amendment. If we do not, then we approve the committee amendment. In short, the committee has breached the 10-percent rule, and this amendment proposes to restore it.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. MUNDT. Does the Senator's amendment exclude the Internal Revenue collection force?

Mr. FERGUSON. Yes.

Mr. MUNDT. The amendment will not result in crippling the collection of internal revenue?

Mr. FERGUSON. The amendment excludes the whole Bureau of Internal Revenue.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. AIKEN. What divisions of the Treasury, or principal divisions, are left, that are affected by the 10-percent cut?

Mr. FERGUSON. The Bureau of Accounts, Office of the Secretary, Bureau of Public Debt, Office of the Treasurer, Bureau of the Mint. I think that is all. Those are the ones that would be covered.

Mr. AIKEN. Does the Senator know about how many employees would be affected?

Mr. FERGUSON. A little later I shall give the Senator the number of employees in the agencies which are affected by the amendment.

Instead of applying the 10-percent rule, the committee has resorted to a 5-percent rule, or in one instance something that is even more generous. Moreover, in two cases the committee eliminated the specific limitation upon per-

sonal services which is the thing that in my opinion gives greatest significance to the Senate's reduction formula.

It is these departures from the Senate rule which this amendment proposes to correct. But before proceeding further, let me spell out the areas of the bill which this amendment would touch, and those which it specifically exempts.

This amendment applies only to title I of the bill, which is the Treasury Department. It does not touch the Post Office Department, for which we had a separate amendment. It specifically exempts from its application these functions within the Treasury Department: the Bureau of Customs, the Bureau of Internal Revenue, the Bureau of Narcotics, the Secret Service, including White House Police and the Guard Force, and the Coast Guard. These functions are exempted in harmony with a theory of exempting law-enforcement and related activities which the Senate has seen fit to grant in its consideration of other bills it has had before it in this session.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. BRIDGES. Let me see if I understand the Senator's amendment correctly. First, he excludes the Bureau of Internal Revenue, which is the agency of Government which collects taxes.

Mr. FERGUSON. That is correct.

Mr. BRIDGES. Then the Senator excludes the Bureau of Narcotics, which is the bureau which enforces the Drug Act.

Mr. FERGUSON. That is correct.

Mr. BRIDGES. Then the Senator excludes the Secret Service, which guards the President and undertakes to prevent counterfeiting and related crimes.

Mr. FERGUSON. The Senator is correct.

Mr. BRIDGES. Then the Senator excludes the Bureau of Customs, which is the bureau which guards against illegal importations and collects customs duties.

Mr. FERGUSON. That is correct.

Mr. BRIDGES. Then the Senator excludes the Coast Guard, which is a part of the defense of the country in time of war or emergency, and which patrols our coasts both in the enforcement of the law and in lifesaving activities, in the security end of the maritime establishment.

Mr. FERGUSON. The Senator is correct.

Mr. BRIDGES. Therefore, the Senator excludes all the agencies which are either law-enforcing or money-collecting, which are so vital at any time, but particularly in this period.

Mr. FERGUSON. That is correct. The amendment would exempt all the agencies which have been named.

This amendment would apply to the following appropriation items in this bill: the Office of the Secretary of the Treasury, salary and expenses of the Bureau of Accounts, salaries and expenses of the Division of Disbursement, the Bureau of the Public Debt, salaries and expenses of the Office of the Treasurer, and the Bureau of the Public Mint.

Mr. President, I now wish to answer the question of the Senator from Vermont [Mr. AIKEN]. With respect to the Office of the Secretary, the number of positions carried in the budget estimate is 550; for the Bureau of Accounts, 231; for the Disbursement Division, 3,267; for the Bureau of the Public Debt, 5,429; for the Office of the Treasurer, 1,421; and for the Bureau of the Mint, 1,195.

Recently we read in the press that the Bureau of the Mint now has machines by which money can be minted at much less expense than under the old method. Certainly that Bureau could take a 10-percent reduction as well as any of the other agencies.

Mr. AIKEN. Those agencies have, roughly, 11,000 employees. Is it the intention of the Senator from Michigan to eliminate approximately a thousand of them?

Mr. FERGUSON. That is correct; approximately 10 percent. There would be a reduction of 10 percent of the amount of the appropriations, which would mean a reduction in personnel of approximately 1,000 out of 11,000.

On each of these items my amendment would have the effect of reducing the appropriation to an amount corresponding to the budget request, less 10 percent of the personal services requested in the budget figure. It would also have the effect of imposing upon each of those appropriation items a limitation for personal services equivalent to 90 percent of the budget request for personal services. In short, it would apply the familiar 10-percent rule of the Senate, which we have applied in other cases. The total is 12,093, so a 10-percent reduction would involve approximately 1,209 employees.

In contrast to that proposition, the committee applied a rule of a 5-percent reduction of the budget request for personal services, with a limitation corresponding to 95 percent of the budget request for personal services. That is, the committee applied a 5-percent rule in four of the six cases. In the other two, it did something else. With respect to the Bureau of Accounts, it made a reduction which was approximately the equivalent of, but slightly less than 5 percent of the personal services requested, and it failed to provide the limitation on personal services which is characteristic of the Senate formula.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. AIKEN. Does the Senator feel that the turn-over of employees in these agencies would be about the same as for the Government as a whole?

Mr. FERGUSON. I have felt so.

Mr. AIKEN. The turn-over is running about 36 percent this year.

Mr. FERGUSON. Yes. I think that percentage holds good through all the departments generally.

Mr. AIKEN. Does the Senator feel that the reduction could be taken care of by simply not filling the positions?

Mr. FERGUSON. I have felt that that is about what would happen. The re-

duction could be made simply by not filling vacancies.

Mr. AIKEN. It would not mean throwing many employees out of their jobs.

Mr. FERGUSON. The Senator is correct. This reduction is only below what the new request is in this year's budget.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. MUNDT. Is it not true that the amendment offered by the Senator from Michigan would still be a much less vigorous approach toward economy than the so-called Jensen amendment, to which the House has dedicated itself?

Mr. FERGUSON. The Senator is correct.

Mr. MUNDT. So that we shall be trying to go at least part of the way along which the House has so courageously gone. Personnel would be substantially reduced if the Jensen amendment became law.

Mr. FERGUSON. I should say that this is somewhat of a compromise.

Mr. MUNDT. It is a compromise in the direction of more spending, is it not?

Mr. FERGUSON. That is correct. We cannot tell how many would resign, or how many would go out under the Jensen amendment.

Mr. MUNDT. The history of the turn-over indicates that we would save more with the Jensen amendment, so this is really a more modest approach toward economy.

Mr. FERGUSON. That is correct.

Mr. MUNDT. Although a very important approach.

Mr. FERGUSON. We could use the same method as the Jensen amendment in applying the reduction.

Mr. MUNDT. Precisely. It would not be necessary to discharge any faithful employees. The departments would simply not fill the positions which were vacated by retirement, or for other reasons.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. KILGORE. Because of the confusion I could not hear. Did I correctly understand the Senator to say that the Department had a personnel turn-over of 35 percent?

Mr. FERGUSON. I was answering the question of the Senator from Vermont [Mr. AIKEN].

Mr. AIKEN. I understand that the turn-over of Government employees for the entire Government is running about 36 percent this year. That is higher than the usual 25 percent.

Mr. FERGUSON. I think Mr. Fleming testified that it was running about 3 percent a month. That would make it 36 percent, as suggested by the Senator from Vermont.

Mr. KILGORE. If the Senator will permit me to make a correction so that we may have the correct information in the RECORD, the personnel turn-over in the Treasury Department is 14 percent, according to the evidence produced before the subcommittee.

Mr. AIKEN. That probably includes the Bureau of Internal Revenue, the Coast Guard, and the Customs Service.

Mr. FERGUSON. It includes all of them.

Mr. AIKEN. They never retire.

Mr. KILGORE. That figure is for the entire Department.

Mr. MUNDT. The Senator still has a 4-percent leeway in his amendment.

Mr. FERGUSON. The Senator from South Dakota is correct.

With respect to the Division of Disbursements, the committee made a reduction approximately equal to 3 percent of the personal services involved, and again failed to provide a ceiling on payrolls.

As I have said, in each of these cases my amendment would revert to the 10-percent rule. I believe that is an imperative action.

These are administrative agencies. As such they comprise a part of that great governmental overhead which is now at an all-time record peak. The 10-percent rule as originally offered by me has been adopted by the Senate to meet the need for reducing that overhead, which is now at an all-time record peak. The 10-percent rule, as originally offered, has been adopted by the Senate to meet the need for reducing the overhead.

The Senate has applied that principle to each of the agencies and appropriations bills that it has before it previously. If nothing more, it would be an unfair discrimination against those agencies which have been subjected to these cuts to grant special favor at this time to the Treasury because we have exempted all the law-enforcing departments of that agency.

But it is something more than mere consistency that is involved. We are here attempting to make some real reductions in the administrative cost of government. The savings to be accomplished by adopting the 10-percent rule as against the 5-percent rule or something less which now appears in the bill will be substantial. They amount to \$2,274,389, in addition to the collateral savings in other objects of expenditure which will follow from the reduction in personal services.

I know how difficult it is to get votes in favor of any cuts, but the Senator from Michigan feels it to be very vital to the interests of the United States and to the interests of the whole world, for that matter, to bring about some economy in relation to personnel, and has therefore been bringing these matters to the attention of the Senate.

As I have said, the amount of the saving would be only \$2,274,389. In addition, there would be collateral savings in other expenditures which would follow naturally a reduction in personnel. If we take away some personnel, fewer telephone calls will be made, less paper used, and less office space used.

I ask unanimous consent that a table showing the effect of the amendment, as compared with the effect of the committee amendment, be printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Appropriation item	Committee action	Effect of Ferguson amendment
Secretary of the Treasury, salaries and expenses.....	\$2,565,278	\$2,446,557
Bureau of Accounts, salaries and expenses.....	2,050,000	1,992,825
Division of Disbursements, salaries and expenses.....	11,775,000	11,038,837
Bureau of the Public Debt, salaries and expenses.....	51,993,704	51,087,409
Office of the Treasurer, salaries and expenses.....	20,868,165	20,636,330
Bureau of the Mint, salaries and expenses.....	4,965,800	4,741,600
Total.....	94,215,947	91,943,558
Difference.....		-2,274,389

Mr. KILGORE. Mr. President, as has been stated by the Senator from Michigan, the committee has applied a 5-percent cut to 4 agencies, involving 29 positions in one agency, 355 positions in another, 90 in another, and 67 in still another. The Senator from Michigan is trying to apply a 10-percent cut.

I did not believe, nor do I believe now, that because a 10-percent cut was made on Labor and Federal Security appropriations, Members of the Senate who vote against a cut of 10 percent in other appropriation bills should be hung, drawn, and quartered. I will say to my friend that he is consistent. In fact, he gets me all stuck up with consistency.

I believe we must look at individual departmental cases. I wish to call attention to the fact that in the Treasury Department, in the Office of the Secretary, the personnel in the administrative offices of the Secretary totaled 769 for the fiscal year 1945, as compared with 551 for the fiscal year 1951, a reduction of 218 average positions. They are asking for fewer personnel. They have actually effected a cut in personnel and have increased efficiency. Nevertheless we say, "Because you got along with that fewer number we will cut a little more." It is possible to cut to such a point that efficiency does not result, just as it is possible to expand above the point that means efficiency.

We already apply a 5-percent cut. If a 10-percent cut is made, it will affect 57.8 positions out of a total of 551. The personnel who would be affected takes care of the entire administration of the law-enforcement agencies and tax-collecting agencies. This office furnishes the technical assistants who come to the Senate to advise our committees in connection with tax and finance bills. The personnel has been reduced from year to year under the present chief of the office, until it has been reduced to the point where I believe it would be fatal to the operation of the office to make a cut of 10 percent. As I have said, the committee has already cut the personnel item by 5 percent.

The Bureau of Accounts has supervision over all fiscal transactions. Even checks of the Army go through the office after they have been paid. All checks must go through that office, and the accounts must be balanced with the vari-

ous appropriations of Congress. We should not cut the funds any further, certainly not to the point where it would be impossible to maintain proper standards of efficiency.

The Bureau of Accounts also handles detail work in connection with the payment of international claims, claims against the Government under the Government Losses in Shipment Act, and bills of foreign governments for amounts due under certain agreements, such as lend-lease and surplus property. Delays in carrying out such functions cause complaints from claimants and delays in collections of amounts due the United States.

A 10-percent reduction in the amount estimated for personal services would make it necessary for the Bureau of Accounts to reduce its personnel from 231 to 197, or a reduction of 34. The personnel of the Bureau is down to a minimum at the present time because of previous reductions in appropriations. Even with a full complement, certain small backlogs have developed which it is hoped can be cleared during the fiscal year 1952.

The Division of Disbursement has had an outstanding record of accomplishment. It has been complimented at various times by Appropriations Committees in both the House of Representatives and the Senate. The annual appropriation estimate for this agency as submitted is based on two factors only, volume of work to be performed, multiplied by unit cost. For the fiscal year 1951 the Division handled in all 188,027,000 payments, collections, and bonds. Next year it is estimated the Division will be called upon to process 202,000,000 items. Unlike other Government agencies, it cannot reduce the volume of work. It does not hunt up work. The work comes to the Division. Prompt payment must be made on all vouchers certified to it by the agencies served. For example, it makes refunds of overpayments on income taxes. Under the present withholding system, many such refunds must be made. If they are not made promptly, interest at 6 percent begins to run. Therefore, we may save in peanuts what we may lose on bananas. If we cut the personnel below what is required for efficient operation, we may be faced with the necessity of paying out a great deal of money in such interest payments on refunds.

The Division maintains a standard cost-accounting system to determine the unit cost per item processed. Very interesting facts are disclosed. For example, the unit cost for the fiscal year 1944 was 6¾ cents; for 1952 it will be 6¼ cents, or one-half cent less than 8 years ago. During the same period the average salary paid to employees increased from \$2,114 to \$2,934, not by action of the Division, but by legislation passed by Congress so that the employees could meet increased costs of living.

One thing that puzzles me, Mr. President, is that we go merrily along and raise salaries, but when an agency comes in and asks for appropriations to meet them we refuse to appropriate the money.

We come now to the office administering the public debt. That function is not handled in Washington, but in Chicago. The committee reduced the amount by 5 percent, representing a total of 355 positions. The amendment of the Senator from Michigan would reduce the number of positions by 585, from 5,429.4, which was the total authorized by the Bureau of the Budget for the fiscal year 1952. They handle the public debt. They are responsible for interest payments, payments on bonds, and so forth.

Let us also consider the effect of making a 10-percent reduction in the personnel of the Bureau of the Mint. I wonder whether all Senators realize that the States, as a result of the passage of various tax laws, have caused a tremendous increase in the demand for coins, particularly in the case of the States which have passed 2-percent sales-tax laws. I know that in my home State if a person buys a bottle of Coca Cola, he has to put a dime in the machine, and he receives 3 cents in change. Each small filling station has to have a large supply of pennies on hand. The additional demand for small coins has become terrific. Yet it is proposed that the personnel of the Bureau of the Mint be reduced by 10 percent, although skilled personnel are required in order to produce the coins, and at this very moment the situation is such that we are scraping the bottom of the barrel, so far as the supply of coins is concerned. If Senators do not believe that, let them ask the various mints what stockpiles of coins they have.

Mr. President, certainly it is unreasonable, and presents an unrealistic picture to the people of the country and to the Senate Finance Committee in connection with its preparation of a tax bill, for the Senate to vote for unjustifiable reductions. Of course, Senators can claim, "I voted to save this much money," but later in the year the Appropriations Committee must sit down quietly and prepare a deficiency appropriation bill—thus leading to the deficit spending which is so widely condemned. Yet that is the situation we face now.

As I said before, I see coming over the horizon a deficiency appropriation bill in connection with the transportation of mail; I think such a bill will be before us in a very short time.

Mr. President, the application of a 10-percent reduction to the appropriations for the Office of the Treasurer—which is not the office of the Secretary of the Treasury, but is the office where all checks are written, and through which all checks are cleared—would result in a decrease of the personnel of that Office to the extent of an estimated 178 employees. Yet, the personnel of that Office have to write all checks except those for the armed services; they even write the allotment checks for the wives of soldiers. The budget estimates call for 1,421 employees in that Office, but the pending amendment would reduce that number by an estimated 178 employees.

Mr. President, I think a 10-percent cut cannot be justified in the case of these agencies.

If the making of such a cut in connection with these agencies is urged on the ground of consistency, let me say that I do not know that such an argument is properly applicable in these cases. After all, if a man runs over someone while he is driving his automobile home tonight, I wonder whether on the ground of consistency he should be supposed to run over some person every night while on his way home. It seems to me that the argument of consistency does not apply in this case.

We have been dealing with two agencies, one of which serves the public alone, and the other one serves the Government.

For these reasons, Mr. President, I hope the amendment of the Senator from Michigan will be rejected.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment of the Senator from Michigan [Mr. FERGUSON] on page 13, between lines 12 and 13.

Mr. FERGUSON. Mr. President, I ask for a division.

Mr. KILGORE. Mr. President, I call for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. MCCARTHY (when his name was called). On this vote I have a pair with the Senator from West Virginia [Mr. NEELY]. If the Senator from West Virginia were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

The roll call was concluded.

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Minnesota [Mr. HUMPHREY], the Senators from South Carolina [Mr. JOHNSTON and Mr. MAYBANK], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. MURRAY], the Senator from West Virginia [Mr. NEELY], the Senator from Virginia [Mr. ROBERTSON], and the Senator from North Carolina [Mr. SMITH] are absent on official business.

The Senator from Texas [Mr. CONNALLY], and the Senator from Georgia [Mr. GEORGE] are absent by leave of the Senate.

The Senator from Arkansas [Mr. FULBRIGHT] is necessarily absent.

The Senator from Connecticut [Mr. McMAHON] is absent by leave of the Senate on official business of the Committee on Foreign Relations.

The Senator from South Carolina [Mr. JOHNSTON] is paired on this vote with the Senator from Massachusetts [Mr. SALTONSTALL]. If present and voting, the Senator from South Carolina would vote "nay," and the Senator from Massachusetts would vote "yea."

The Senator from Washington [Mr. MAGNUSON] is paired on this vote with the Senator from New Jersey [Mr. SMITH]. If present and voting, the Senator from Washington would vote "nay," and the Senator from New Jersey would vote "yea."

Mr. WHERRY. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from Nebraska [Mr. BUTLER], and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from Washington [Mr. CAIN], the Senator from South Dakota [Mr. CASE], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Idaho [Mr. WELKER] are absent on official business.

The Senator from Vermont [Mr. FLANDERS] and the Senator from New Hampshire [Mr. TOBEY] are absent because of illness. If present and voting, the Senator from New Hampshire [Mr. TOBEY] would vote "yea."

The Senator from Minnesota [Mr. THYE] is absent by leave of the Senate on official business.

The Senator from Pennsylvania [Mr. DUFF], the Senator from California [Mr. KNOWLAND], and the Senator from New Jersey [Mr. SMITH] are detained on official business.

On this vote the Senator from Massachusetts [Mr. SALTONSTALL] is paired with the Senator from South Carolina [Mr. JOHNSTON]. If present and voting, the Senator from Massachusetts would vote "yea" and the Senator from South Carolina would vote "nay."

Also, I wish to announce that the Senator from New Jersey [Mr. SMITH] is paired with the Senator from Washington [Mr. MAGNUSON]. If present and voting the Senator from New Jersey would vote "yea" and the Senator from Washington would vote "nay."

The result was announced—yeas 43, nays 23, as follows:

YEAS—43

Aiken	Gillette	Mundt
Bennett	Hendrickson	Nixon
Bricker	Hickenlooper	O'Connor
Bridges	Holland	Schoeppel
Butler, Md.	Ives	Smathers
Byrd	Johnson, Colo.	Smith, Maine
Capehart	Kem	Stennis
Carlson	Langer	Taft
Cordon	Lodge	Watkins
Dirksen	Malone	Wherry
Douglas	McCarran	Wiley
Dworshak	McClellan	Williams
Eastland	McKellar	Young
Ferguson	Millikin	
Frear	Monroney	

NAYS—23

Benton	Hill	Moody
Chavez	Hoey	Morse
Clements	Hunt	O'Mahoney
Eaton	Johnson, Tex.	Pastore
Ellender	Kerr	Russell
Green	Kilgore	Sparkman
Hayden	Lehman	Underwood
Hennings	McFarland	

NOT VOTING—30

Anderson	Humphrey	McMahon
Brewster	Jenner	Murray
Butler, Nebr.	Johnston, S. C.	Neely
Cain	Kefauver	Robertson
Case	Knowland	Saltonstall
Connally	Long	Smith, N. J.
Duff	Magnuson	Smith, N. C.
Flanders	Martin	Thye
Fullbright	Maybank	Tobey
George	McCarthy	Welker

So Mr. FERGUSON's amendment, as modified, was agreed to.

Mr. FERGUSON. Mr. President, for myself, and on behalf of the Senator from New Hampshire [Mr. BRIDGES], I send to the desk an amendment to be inserted at the end of the bill.

The PRESIDING OFFICER. The clerk will read the amendment.

The CHIEF CLERK. On page 20, after line 17, it is proposed to insert a new section, as follows:

SEC. 403. Except for the automobiles officially assigned to the Secretary of the Treasury and the Postmaster General, respectively, and automobiles assigned for operation by the Secret Service Division, no part of any appropriation contained in this act shall be used to pay the compensation of any civilian employee of the Government whose duties consist of acting as chauffeur of any Government-owned passenger motor vehicle (other than a bus or ambulance), unless such appropriation is specifically authorized to be used for paying the compensation of employees performing such duties.

And to change the final section number from "403" to "404."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Michigan.

Mr. FERGUSON. Mr. President, I believe that the Senator from West Virginia will take this amendment to conference, because it is in line with provisions relative to chauffeurs found in other bills.

Mr. KILGORE. Mr. President, will the Senator yield for one or two questions, for the purpose of clarifying the amendment for the record, and explaining its intentment?

Mr. FERGUSON. I shall be glad to yield to the Senator from West Virginia.

Mr. KILGORE. As I understand, the Bureau of the Customs has cars which are usually driven by Customs officers. In fact, the Customs officers always drive them. They are used for the purpose of rushing men to airports and to the piers. This amendment is not intended in any way to affect a man a part of whose duty may be to transport himself and other Customs inspectors, let me say, to meet a ship at the pier is it?

Mr. FERGUSON. No, it is not.

Mr. KILGORE. The same is true in the case of the Internal Revenue Bureau, is it not?

Mr. FERGUSON. That is correct. An agent might be on a job, using the car with two or three other men; and in such case they would not be considered as chauffeurs.

Mr. KILGORE. And is the same true of the Bureau of Narcotics?

Mr. FERGUSON. The same is true with respect to that Bureau.

Mr. KILGORE. And, of course, the Secret Service Division is included, as well as the United States Coast Guard, is it not?

Mr. FERGUSON. That is correct.

Mr. KILGORE. In other words, the amendment would apply only in the case of a man who was doing nothing but the work of a chauffeur, would it?

Mr. FERGUSON. That is correct.

Mr. KILGORE. I am willing to take the amendment to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Michigan [Mr. FERGUSON].

The amendment was agreed to.

FURTHER SCANDALS INVOLVING JAMES P. FINNEGAN, MERLE YOUNG, AND THE DEMOCRATIC NATIONAL COMMITTEE

Mr. WILLIAMS. Mr. President, I send to the desk an amendment, which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendments.

The CHIEF CLERK. It is proposed to strike out all the language on page 2.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Delaware.

Mr. WILLIAMS. Mr. President, this amendment will be withdrawn in a moment, but, since we are operating under a unanimous consent agreement, it is the only way by which I could get the floor at this time for the purpose of discussing another subject.

Mr. KILGORE. Mr. President, may we have order? I am unable to hear what the Senator is saying.

Mr. WILLIAMS. I hope the Senator from West Virginia will be able to hear what I am going to say, because I am sure he will be very much interested in this statement. I was merely pointing out that I am not going to discuss the bill, but I propose to discuss the case in St. Louis, Mo., which has been in the headlines so much recently, particularly the part which the Democratic National Committee has played in obtaining a loan for the American Lithofold Corp., of St. Louis, Mo. I am sure the Senator from West Virginia will be interested in it.

Mr. KILGORE. Mr. President, I submit this is out of order.

Mr. WILLIAMS. Mr. President, I have the floor, and I have not yielded.

The PRESIDING OFFICER. The Senator from Delaware has the floor.

Mr. WILLIAMS. I understand I have 15 minutes.

Mr. KILGORE. May I propound a question to the Chair?

Mr. WILLIAMS. I am not yielding.

Mr. KILGORE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KILGORE. Is the Senator from Delaware discussing his amendment?

The PRESIDING OFFICER. The Senator from Delaware has the floor for the purpose of discussing his amendment.

Mr. WILLIAMS. Mr. President, I ask that that time be not charged to the Senator from Delaware, and I would appreciate it very much if the Chair would see that further interruptions do not occur.

The PRESIDING OFFICER (Mr. CLEMENTS in the chair). That is a proper request. The time will not be charged to the Senator from Delaware.

Mr. WILLIAMS. Mr. President, I am discussing the recent exposure of the scandals in St. Louis. Recently the press has pointed out how Mr. William Boyle and the Democratic National Committee perhaps had expressed an interest in this case. I called the Recon-

struction Finance Corporation, here in Washington, and I talked to Mr. James Allen, the special assistant to Mr. Stuart Symington, Administrator of the RFC, who has authorized me to make this statement. Mr. Allen has checked with Mr. Charles Alexander, the manager of the St. Louis, Mo., office of the RFC.

He stated that an application for a loan was filed by the American Lithofold Corp. on November 19, 1948, and that the amount of the loan requested was \$548,219.50. During the month of December 1948 a long-distance call was made from Washington by Mr. Merle Young to Mr. O. R. Kraft, assistant manager of the St. Louis office of the RFC, at which time Mr. Young expressed an interest in this loan and told Mr. Kraft that the Democratic National Committee was very much interested in it also, and urged that something be done.

On May 7, I pointed out how Mr. James P. Finnegan, the collector of internal revenue at St. Louis, was also interested in this loan, at which time he was on salary with the Government and acting as collector of internal revenue in the St. Louis district. I pointed out that he had been paid \$9,737.35, which he received from the American Lithofold Corp. as compensation for his services. I further pointed out on that date that, in its tax returns, the American Lithofold Corp. had deducted these amounts as attorney fees, and that Mr. Finnegan had reported them on his tax returns as receipts; so there did not seem to be too much argument about that part of it, although I recall that Mr. Finnegan made the statement, after I had made my speech of May 7, 1951, that my entire statement was "too ridiculous" even for comment. Nevertheless, Mr. Allen, the Assistant Administrator of the RFC, confirmed, this afternoon, that he had talked with his St. Louis manager, Mr. Charles G. Alexander, in St. Louis, and that Mr. Alexander gave him a list of telephone calls and visits to the office of the St. Louis Reconstruction Finance Corporation, which were made by James P. Finnegan, while serving as collector of internal revenue, and that Mr. Alexander had stated that these calls and visits were all made in behalf of this loan, for which the American Lithofold Corp. was applying, which loan was subsequently granted, after Mr. Finnegan, Mr. Young, and Mr. Boyle got into the picture and were paid. The loan had been rejected by the RFC three times prior to the employment of these men by the American Lithofold Corp. I listed Mr. Finnegan's telephone calls and visits to the RFC, all of which were in behalf of this loan.

On July 5, 1949, there was a telephone call. On July 11 Mr. Finnegan visited the RFC St. Louis office. On July 14 he called on the telephone. On July 18 he visited the office. On August 22 he again visited the office. On October 11 he again visited the office. On October 18 he called on the telephone. On October 25 he again called on the telephone. On November 2 he visited the

office. On November 3 he called on the telephone. On November 13 he again called on the telephone. On November 22 he again visited the office. Each of these calls and visits was made in behalf of this loan.

On November 14, 1949, the loan was approved in the sum of \$465,000. A few days later it was increased by another \$100,000, giving the corporation a loan of \$565,000. The final call was made by Mr. Finnegan to the office of the RFC on December 12, 1949. All of these calls were made while he was serving as collector of internal revenue in St. Louis, during which time he was drawing a salary of \$1,000 per month from the company seeking the loan.

So the record shows that Mr. Finnegan was a very energetic individual. The loan had been rejected three times prior to this. Apparently, from the record, if we assume that is the way they did business in the RFC, if any businessman had wanted a loan the proper thing to do was to call the Democratic National Committee. Until such time as the Democratic Party recognizes this situation and cleans out Mr. Boyle they will have to stand on that record.

In closing I wish to pay tribute to the present management of the RFC in willingly and without any hesitation making available to me the information I requested. I have had their full cooperation in getting to the bottom of this scandal.

Mr. President, I now withdraw the amendment which I offered.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATIONS, 1952

The Senate resumed the consideration of the bill (H. R. 3282) making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank of Washington for the fiscal year ending June 30, 1952, and for other purposes.

Mr. DOUGLAS. Mr. President, I call up my amendment A and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Illinois.

The LEGISLATIVE CLERK. On page 17, after line 5, it is proposed to insert a new section, as follows:

SEC. 206. Section 6 of the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the Postal Service; to establish uniform procedures for computing compensation; and for other purposes," approved July 6, 1945, is amended—

(1) by striking out "15" wherever it appears therein and inserting in lieu thereof "20"; and

(2) by striking out "one and one-quarter" wherever it appears therein and inserting in lieu thereof "one and two-thirds."

The amendment made by this section shall be effective as of July 1, 1951.

Mr. KILGORE. Mr. President, I make a point of order against the amendment offered by the Senator from Illinois. It is obviously legislation on an appropriation bill, and I think it is completely out of order.

Mr. DOUGLAS. Mr. President, the Senator from West Virginia is correct that it is legislation on an appropria-

tion bill, but on the 19th of July I filed notice that I intended to move to suspend the rule, and I now move to suspend the rule.

The PRESIDING OFFICER. Before the Senator proceeds further, the Chair sustains the position taken by the Senator from West Virginia.

Mr. DOUGLAS. I now move that the rule be suspended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Illinois. It can be debated for 15 minutes to a side.

Mr. DOUGLAS. All this amendment aims to do, Mr. President, is to establish a uniformity of leave provisions so that the postal employees can receive the same amount of leave, under the Post Office appropriation bill, that all other Government employees will receive under the amendment to the Independent Offices appropriation bill which was adopted by the Senate some days ago. By that amendment the amount of leave for regular employees of the Government, outside the postal service, was reduced from 26 working days to 20 days; for temporary employees, from 30 working days to 20 days; and uniformity at this time was also established for members of the Foreign Service when on home duty instead of 60 calendars as is now the case. The employees in the postal service, however, receive only 15 days' leave each year. They have in the past been at a very great disparity in comparison with other governmental employees.

I estimate that the amount of savings from the reduction of leave of temporary employees and regular employees outside the postal service will, in my judgment, be approximately \$200,000,000. The amount of the increase caused by raising the leave of postal employees from 15 to 20 days will approximately amount to \$30,000,000 to \$35,000,000, making a net saving of from \$165,000,000 to \$170,000,000 for the two provisions when consolidated. I think I should say, further, Mr. President, that if for any reason the 20-day leave provision in the independent offices appropriation bill is not agreed to, or is not accepted by the conference committee, I would not ask that the leave of postal employees be increased. In other words, I believe that the conference committee should have a certain amount of discretion in the matter, and that this amendment should be included in an agreed-upon conference report only if the savings are carried on. In other words, this is the second and final step in a move to equalize the annual leave of all Federal employees at 20 days a year.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield for a question.

Mr. LEHMAN. Is it not a fact that at the time the Senator from Illinois offered his amendment to the independent offices appropriation bill, which was later adopted, it was clearly indicated by the Senator that he hoped a comprehensive, all-embracing bill which would place the employees of the Post

Office Department on the same plane with the other employees of the Government, would be reported by the Committee on Post Office and Civil Service and passed by the Senate?

Mr. DOUGLAS. That is correct. I voted for the Pastore bill, but recent developments indicate that the Senate bill will, in all probability, not be accepted by the House. I believe that Chairman MURRAY of the House Post Office and Civil Service Committee has served notice that he will not accept the Senate bill and that, therefore, any change in the leave situation will have to come about through amendments to appropriation bills rather than through a general bill. I wish it were the other way. I should much prefer to have the matter handled by legislation out of the Post Office and Civil Service Committee, and I prefer the graduated system. But it is quite apparent that the House will not accept it. Therefore, our only chance of making savings and producing uniformity is through amendments to appropriation bills.

It is also a matter of record that I served notice when I offered the leave amendment to the independent offices appropriation bill that I would later move to increase the leave of postal workers to an equality. I think many Senators supported the original amendment on that understanding.

Mr. LEHMAN. I am very glad indeed to hear the Senator reiterate what I knew was his intention, which he very clearly enunciated on the floor of the Senate on a number of occasions, but I wonder whether the Senator will not agree with me in the statement that failure to place the postal employees on the same basis with other employees of the Government would be doing a rank injustice to that fine body of men and women.

Mr. DOUGLAS. I agree; and that is why I am offering the amendment, in order to bring them to an equality. But I want the equality on the basis of 20 days. I do not want to add an extra \$30,000,000 to \$35,000,000 by increasing postal workers' leave to 20 days unless we are making a \$200,000,000 saving by reducing the leave of those getting 26 days or 30 days or even higher, to 20 days.

Mr. LEHMAN. I wish to express my appreciation of what the Senator has said. I knew what his sentiments were, and I very much hope that his amendment will prevail.

Mr. DOUGLAS. I thank the Senator from New York.

Mr. BENTON. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. BENTON. In taking leadership on this most just and constructive move, has the Senator from Illinois determined why the postal workers have been treated so much less fairly on vacations than have workers in other branches of the Government?

Mr. DOUGLAS. Paraphrasing a statement made by Winston Churchill, I think it is a mystery wrapped within an enigma.

Mr. BENTON. Have there been previous efforts to correct this manifest injustice?

Mr. DOUGLAS. Yes; but there has been a natural reluctance on the part of Congress to extend the 26-working-day privilege to give everybody a 5½-week vacation.

Mr. BENTON. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. BENTON. Does the Senator from Illinois recall the Senate vote last year on the President's veto of the bill sponsored by the postal clerks to give a special seniority privilege to postal clerks who were veterans? Does the Senator recall that the clerks asked at that time this special privilege, in contrast to other Government employees, and that the President vigorously opposed giving it to them? Conversely, is it not fair and equitable that they should be accorded the same privileges, on the subject of vacation allowances, which are accorded employees in other branches of the Federal Government? Is it not a gross injustice that this equality has not been accorded them years ago? Seemingly we theoretically owe them countless weeks and months of back vacation to put them on an equal basis.

Mr. DOUGLAS. I quite agree with the Senator from Connecticut that the leave provisions should be equalized at 20 days a year, or on the graduated basis approved by the Senate.

Mr. CARLSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. CLEMENTS in the chair). Does the Senator from Illinois yield to the Senator from Kansas?

Mr. DOUGLAS. I yield.

Mr. CARLSON. I should like to support the amendment which the Senator from Illinois proposes to offer. On June 21 I made an effort to secure approval of a provision for 20 days leave for postal workers, increasing the time from 15 to 20 days.

I, too, favored the graduated-leave bill which was passed recently by the Senate and is now in conference between the Senate and the House. Present indications are that it will not be acted on soon.

I think it is only a matter of justice to the postal employees of the Nation that they should receive the benefit of the proposed increased leave. I certainly hope the Senate this afternoon will vote favorably upon the motion which is pending, and adopt the amendment of the Senator from Illinois.

Mr. DOUGLAS. I thought the Senator from Kansas had perfecting language he wanted to attach to my amendment, to cover temporary employees.

Mr. CARLSON. If the Senate adopts the motion and agrees to consider the Senator's amendment I shall be pleased to offer an amendment which will take care of the temporary employees who are not included in the amendment of the Senator from Illinois. I think the Senate will want to take action upon my proposal, in view of the action we took

in connection with the graduated leave bill.

Mr. DOUGLAS. I will say to the Senator from Kansas that I was a little premature in the suggestion I made respecting that matter.

Mr. HAYDEN. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. HAYDEN. What is the estimated cost of the proposed increase?

Mr. DOUGLAS. Between \$30,000,000 and \$35,000,000.

Mr. HAYDEN. That will be the annual increased cost?

Mr. DOUGLAS. Yes. We estimate, on the same basis, a saving from the reduction of leave of other employees, of approximately \$200,000,000.

Mr. KILGORE. Mr. President, I am glad the last question was asked. I certainly wanted the Senate to know what the cost of the Senator's proposal would be. I am bitterly opposed to the present disparity in leave time. But I want the Senate, and those who have been urging that all kinds of budget cuts be made, to understand that this proposal will simply make necessary a supplemental estimate of the size of the increase indicated by the Senator from Illinois. I sometimes think that the bill should be amended to include the amount necessary to pay for the leave time, so that we can be honest with ourselves and our constituents, as we should be, and not stand up and say "We did this for you," and then fail to appropriate the money to do it.

Mr. FERGUSON. Mr. President, will the Senator from Illinois yield some time to me?

The PRESIDING OFFICER. Does the Senator from Illinois yield time to the Senator from Michigan, and if so, how much time?

Mr. DOUGLAS. As much time as the Senator may wish.

Mr. FERGUSON. I should like to have a minute or two.

The Senator from Michigan merely wishes to say that from time to time he has noticed the difference between the leave time allowed for the various employees of Government. He personally sponsored a bill to increase the leave time of the postal employees, because he felt it was practically impossible to reduce the leave time of other employees. Now that we have reduced the leave time of other employees, the Senator from Michigan, notwithstanding his stand on economy, feels that the present proposal is an equitable one. It proposes to treat all employees alike. For that reason he feels that the amendment should be adopted.

Mr. FREAR. Mr. President, I should like to address the Senate briefly.

The PRESIDING OFFICER. Does a Senator who has control of time wish to yield some time to the Senator from Delaware, and if so, how much?

Mr. DOUGLAS. I am glad to yield 2 minutes to the Senator from Delaware.

Mr. FREAR. I shall take only 1 minute. I should like to add a word or two to what the great and able Senator from Illinois has said regarding the leave

time for postal employees. I think the proposal of the Senator from Illinois is a step in the right direction, and one that is long overdue. I concur in the remarks made by the Senator from Michigan [Mr. FERGUSON]. He said he is rather economy minded, and I believe I can be classed in the same category. However, I am firmly of the opinion that we should act justly and equitably toward the employees of the Post Office Department, as we have attempted to do, I think, with the other Civil Service employees of the United States.

Mr. CHAVEZ. Mr. President, on the motion of the Senator from Illinois to suspend the rule, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. MCCARTHY (when his name was called). I have had a pair today on most of the amendments with the Senator from West Virginia [Mr. NEELY]. However, on this question I am informed that he would vote "yea," as I intended to vote. Therefore I am at liberty to vote, and I vote "yea."

The roll call was concluded.

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senators from Virginia [Mr. BYRD and Mr. ROBERTSON], the Senator from Iowa [Mr. GILLETTE], the Senator from Missouri [Mr. HENNINGS], the Senator from Minnesota [Mr. HUMPHREY], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Louisiana [Mr. LONG] the Senator from Montana [Mr. MURRAY], the Senator from West Virginia [Mr. NEELY], the Senator from Georgia [Mr. RUSSELL], and the Senator from North Carolina [Mr. SMITH] are absent on official business.

The Senator from Texas [Mr. CONNALLY] and the Senator from Georgia [Mr. GEORGE] are absent by leave of the Senate.

The Senator from Arkansas [Mr. FULBRIGHT] is necessarily absent.

The Senator from Connecticut [Mr. McMAHON] is absent by leave of the Senate on official business of the Committee on Foreign Relations.

I announce further that if present and voting, the Senator from Louisiana [Mr. LONG] would vote "yea."

Mr. WHERRY. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from Nebraska [Mr. BUTLER], and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from Washington [Mr. CAIN], the Senator from South Dakota [Mr. CASE], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Idaho [Mr. WELKER] are absent on official business.

The Senator from Vermont [Mr. FLANDERS] and the Senator from New Hampshire [Mr. TOBEY] are absent because of illness. If present and voting, the Senator from New Hampshire [Mr. TOBEY] would vote "yea."

The Senator from Minnesota [Mr. THYE] is absent by leave of the Senate on official business.

The Senator from Ohio [Mr. BRICKER], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Indiana [Mr. CAPEHART], the Senator from Pennsylvania [Mr. DUFF], and the Senator from Utah [Mr. WATKINS] are detained on official business.

The result was announced—yeas 63, nays 0, as follows:

YEAS—63

Alken	Hoey	Millikin
Bennett	Holland	Monroney
Benton	Hunt	Moody
Butler, Md.	Ives	Morse
Carlson	Johnson, Colo.	Mundt
Chavez	Johnson, Tex.	Nixon
Clements	Kem	O'Connor
Cordon	Kerr	O'Mahoney
Dirksen	Kilgore	Pastore
Douglas	Knowland	Schoeppel
Dworshak	Langer	Smathers
Eastland	Lehman	Smith, Maine
Eaton	Lodge	Smith, N. J.
Ellender	Magnuson	Sparkman
Ferguson	Malone	Stennis
Frear	Maybank	Taft
Green	McCarran	Underwood
Hayden	McCarthy	Wherry
Hendrickson	McClellan	Wiley
Hickenlooper	McFarland	Williams
Hill	McKellar	Young

NOT VOTING—33

Anderson	Flanders	McMahon
Brewster	Fulbright	Murray
Bricker	George	Neely
Bridges	Gillette	Robertson
Butler, Nebr.	Hennings	Russell
Byrd	Humphrey	Stallonsall
Cain	Jenner	Smith, N. C.
Capehart	Johnston, S. C.	Thye
Case	Kefauver	Tobey
Connally	Long	Watkins
Duff	Martin	Welker

The VICE PRESIDENT. On this vote the yeas are 63, the nays none. Two-thirds of the Senators present and voting having voted in favor of the motion to suspend the rule, the rule is suspended.

Does the Senator from Illinois desire to offer his amendment?

Mr. DOUGLAS. I offer my amendment, Mr. President.

The VICE PRESIDENT. The amendment offered by the Senator from Illinois will be stated.

The CHIEF CLERK. On page 17, after line 5, it is proposed to insert a new section, as follows:

SEC. 206. Section 6 of the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the Postal Service; to establish uniform procedures for computing compensation; and for other purposes," approved July 6, 1945, is amended—

(1) by striking out "fifteen" wherever it appears therein and inserting in lieu thereof "twenty"; and

(2) by striking out "one and one-quarter" wherever it appears therein and inserting in lieu thereof "one and two-thirds."

The amendment made by this section shall be effective as of July 1, 1951.

Mr. CARLSON. Mr. President, I offer an amendment to the amendment of the Senator from Illinois.

The VICE PRESIDENT. The amendment offered by the Senator from Kansas to the amendment of the Senator from Illinois will be stated.

The CHIEF CLERK. After clause (2) between lines 2 and 3 on page 2 of the

amendment of Mr. DOUGLAS, it is proposed to insert the following:

(3) By adding at the end thereof a new paragraph as follows:

"Employees in the postal service whose appointments are temporary or indefinite in character and for not less than 90 consecutive days, shall be granted, under such regulations as the Postmaster General shall prescribe, the same rights and benefits with respect to annual and sick leave that accrue to regular employees, and each such employee shall receive credit for one-twelfth of a year for each whole calendar month such employee is carried on the roll as a temporary or indefinite employee: *Provided*, That the provision of this paragraph shall not apply to substitute rural carriers.

"The amendments made by clauses (1) and (2) of this section shall be effective as of July 1, 1951, and the amendment made by clause (3) of this section shall be effective as of December 1, 1950, but shall not apply in the case of any person who has been separated from the postal service prior to the date of enactment of this act."

Mr. CARLSON. Mr. President, this amendment really takes care of temporary postal employees who have come into the service following the adoption of the Whitten amendment, and cannot become permanent employees because of that situation. We took care of them in the leave bill which the Senate passed a few days ago.

These are not additional employees who were all taken care of in the graduated leave provision approved by the Senate. This amendment merely completes the list by including the temporary employees. I think it is only fair that they should be included. They would be permanent employees at the present time except for the Whitten amendment, which provides that they must remain temporary employees during the emergency. That may continue for a long period of time.

I sincerely hope that my amendment to the amendment will be accepted.

Mr. DOUGLAS. Mr. President, I am very glad to accept the amendment of the Senator from Kansas.

Mr. KILGORE. Mr. President, I shall be glad to accept the amendment as offered, and take it to conference. I have never believed in legislation on appropriation bills, and for that reason I raised the point of order. But I do not believe that we should discriminate against any class of Government employees.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Kansas [Mr. CARLSON] to the amendment of the Senator from Illinois [Mr. DOUGLAS].

The amendment to the amendment was agreed to.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS] as amended.

Mr. DOUGLAS. Mr. President, there is one point which I think should be thoroughly in the minds of Senators before we take a final vote, and that is that if the amendment to the independent offices bill reducing leave for other Government employees is not finally approved then in my judgment, at least, this amendment should not be pushed.

In other words, the action of the conferees on this bill should be integrated with the decisions of the conference committee on the independent offices bill in order that we may get a net saving out of this and not merely an increased expense.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Illinois [Mr. DOUGLAS], as amended.

The amendment, as amended, was agreed to.

The VICE PRESIDENT. The bill is open to further amendment. If there be no further amendment, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

Mr. HAYDEN. Mr. President, I move to reconsider the vote by which the committee amendment on page 15, lines 14 and 15, was agreed to. If the motion prevails, I shall move to strike the figure "\$1,852,100,000," in line 15, and insert in lieu thereof the figure "\$1,882,100,000."

The VICE PRESIDENT. The Chair understands that the Senator from Arizona was inquiring at the desk about the procedure at the time the Chair ordered the third reading of the bill. Therefore, the Chair will suspend the order for the third reading.

Mr. HAYDEN. What I am trying to do is to provide money to carry out the action of the Senate.

Mr. FERGUSON. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. Does the Senator from Arizona yield for that purpose?

Mr. HAYDEN. Yes.

Mr. FERGUSON. Did not the Chair order the third reading of the bill?

The VICE PRESIDENT. The Chair has explained that at the time he made the order, the Senator from Arizona [Mr. HAYDEN] was at the desk inquiring about the procedure to follow. Therefore, the Chair felt that the order for a third reading should be rescinded.

Mr. HAYDEN. Financial honesty requires that when the Senate adopts an amendment which increases the cost of postal operations by \$30,000,000 a year it should provide \$30,000,000 in the bill by way of appropriation. That is what my amendment would do.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. FERGUSON. Would it not be proper, inasmuch as there is some doubt, according to the statement of the Senator from Illinois [Mr. DOUGLAS], as to the exact amount involved, that the expenditure involved in the amendment which has been adopted should be provided for by a supplemental appropriation bill? The Senator from Illinois, I am sure, does not know the exact figure.

Mr. HAYDEN. The Senator's estimate was from \$30,000,000 to \$35,000,000.

Mr. DOUGLAS. That was an estimate only.

Mr. FERGUSON. It seems to me that provision should be made through the regular channels in a supplemental appropriation bill. We are dealing only with an authorization. We should not act on an appropriation without the matter going through the Committee on Appropriations.

Mr. HAYDEN. If it should turn out that it is not necessary to include such an amendment, the conference committee can reduce the amount by \$30,000,000. However, the Senate having voted a charge against the Treasury it should also be willing to put the money in the Treasury with which to pay the bill.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. DOUGLAS. Should not the same logic of the Senator from Arizona be followed in the case of the independent offices appropriation bill, that the amount should be diminished by the fraction which will be saved by the adoption of the leave provision?

Mr. HAYDEN. The money was not added to the independent offices bill.

Mr. DOUGLAS. The money would be subtracted from the amount needed for the agencies covered by the independent offices bill.

Therefore, if we provide the money for the increased costs of the Post Office Department we should provide a method by which we can recoup the gains which we would make in the other governmental offices.

Mr. HAYDEN. I wish to make it clear to the postal clerks of the United States that if the Senate grants them an increased leave period, the money will be available with which to pay for them.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. MORSE. Does it not answer the Senator from Illinois to say that under the fiscal policies of the Government, so far as the independent offices bill is concerned, the money would automatically revert if it were not expended?

Mr. DOUGLAS. We have had too much experience in that regard.

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Illinois?

Mr. HAYDEN. I do.

Mr. DOUGLAS. We have had too much experience with governmental agencies to expect that any money which has been appropriated to them will be returned to the Treasury. They will speed up in the last 2 weeks of the fiscal year to spend it for some purpose. Therefore, the thought expressed by the Senator from Oregon with respect to the possibility of getting heads of agencies voluntarily to return unspent funds is touching, but I believe ill-founded.

Mr. FERGUSON. Mr. President, will the Senator from Arizona yield?

Mr. HAYDEN. I yield.

Mr. FERGUSON. Is it clear that this is under the heading of postal operations?

Mr. HAYDEN. Yes.

Mr. FERGUSON. The \$30,000,000 would not be applied directly or specifically to the leave?

Mr. HAYDEN. There would be no question about it.

Mr. FERGUSON. It could be used for anything which is provided for under postal operations?

Mr. HAYDEN. That is correct; if we were to add \$30,000,000 there would be no question about what it was intended for.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. CARLSON. I wish to state to the Senator from Arizona that I would support his motion if I did not have some question as to the exact amount that would be needed. My figures show that \$23,000,000 will be needed. I should think that the proper way of handling the matter would be to wait to see whether the bill becomes law. If it becomes law, a deficiency appropriation bill could be passed for the exact amount required.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. Does the Senator from Arizona yield for that purpose?

Mr. HAYDEN. Yes.

Mr. WHERRY. Of course, the amendment has been offered by the distinguished Senator from Arizona, and he is in charge of his own time. Who is in charge of the opposition time?

The VICE PRESIDENT. The Senator from Arizona has made a motion to reconsider the vote by which the Senate agreed to the amendment. It is not actually an amendment which is pending; it is a motion to reconsider a vote.

Mr. WHERRY. As I understand, time is allotted on motions, as well as on amendments.

The VICE PRESIDENT. Fifteen minutes is allowed to each side. The Senator from Arizona controls 15 minutes and the Senator from West Virginia [Mr. KILGORE] controls 15 minutes.

Mr. MORSE. Mr. President, will the Senator from Arizona yield?

Mr. HAYDEN. I yield.

Mr. MORSE. I am trying to find out what the fiscal practices of the Government are. The comment of the Senator from Illinois interests me very much. He said that a department would proceed to spend money for purposes for which it was not appropriated.

Mr. HAYDEN. The Bureau of the Budget keeps a very careful check on departmental expenditures. They have the power to impound money. I have no doubt that if there were an excess which was not needed the money would be promptly impounded by the Bureau of the Budget.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Arizona [Mr. HAYDEN]. [Putting the question.] The "noes" seem to have it. The "noes" have it, and the motion is not agreed to.

The bill is open to further amendment. If there be no further amendment, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The VICE PRESIDENT. The question is on the final passage of the bill.

The bill (H. R. 3232) was passed.

Mr. KILGORE. Mr. President, I move that the Senate insist upon its amendments, request a conference thereon with the House, and that the Chair appoint the conference on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. KILGORE, Mr. MAYBANK, Mr. McCLELLAN, Mr. McKELLAR, Mr. JOHNSTON of South Carolina, Mr. ECTON, Mr. BRIDGES, and Mr. SALTONSTALL, conferees on the part of the Senate.

EXTENSION OF DEFENSE PRODUCTION AND HOUSING AND RENT ACTS—CONFERENCE REPORT

Mr. McFARLAND. Mr. President, earlier in the day I made an announcement with regard to the conference report on the Defense Production Act. I understand that the conferees have now agreed, and that the action of the conferees is unanimous. There should not be any controversy in regard to the report. The conference committee worked practically all night. I do not like to see the Senate come back tomorrow to vote on a conference report which has been unanimously agreed to by the conference committee. Surely after the members of a conference work all night and present a unanimous report, we ought to be willing to work another hour and agree to the conference report tonight. I hope the distinguished Senator from South Carolina [Mr. MAYBANK] will move to consider the conference report and that it may be adopted.

Mr. MAYBANK. Mr. President, I appreciate the compliment the Majority Leader has paid me. I may say that all the conferees, those on the part of the Senate and those on the part of the House, were in agreement. We worked not only until 5 o'clock this morning, but also from about 2:30 p. m. today—we were delayed in starting—until a few minutes ago, and we worked all day the day before, and many days prior to that.

I am perfectly willing to make a short statement on the conference report now, if that is desired.

The VICE PRESIDENT. Does the Senator from South Carolina request unanimous consent that the conference report be considered at this time?

Mr. MAYBANK. Yes, Mr. President, I submit the conference report and ask unanimous consent for its present consideration.

The VICE PRESIDENT. Is there objection to the request for the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1717) to amend and extend the Defense Production Act of 1950 and the Housing and Rent Act of 1947, as amended.

(For conference report, see today's proceedings of the House of Representatives.)

Mr. MAYBANK. Mr. President, I merely wish to say that we felt we did the best we could for the 150,000,000 peo-

mittee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4329) entitled "An act making appropriations for the government of District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1952, and for other purposes."

RESIGNATIONS FROM COMMITTEES

The SPEAKER laid before the House the following resignation which was read by the Clerk:

HOUSE OF REPRESENTATIVES,
Washington, D. C., July 27, 1951.

Hon. SAM RAYBURN, Speaker,
House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: I herewith submit my resignation to the House Committee on Interstate and Foreign Commerce effective July 30.

Respectfully,

WILSON D. GILLETTE.

The SPEAKER. Without objection the resignation is accepted.

There was no objection.

The SPEAKER laid before the House the following resignation which was read by the Clerk:

HOUSE OF REPRESENTATIVES,
Washington, D. C., August 1, 1951.

Hon. SAM RAYBURN,
Speaker of the House,
United States Capitol,
Washington, D. C.

DEAR SIR: I hereby tender my resignation as a member of the Committee on Veterans' Affairs effective this date.

Yours very truly,

HARMAR D. DENNY, Jr.

The SPEAKER. Without objection the resignation is accepted.

There was no objection.

ELECTION TO COMMITTEE

Mr. MARTIN of Massachusetts. Mr. Speaker, I offer a privileged resolution (H. Res. 365).

The Clerk read as follows:

Resolved, that HARMAR D. DENNY, JR., of Pennsylvania be, and he is hereby, elected to the Committee on Interstate and Foreign Commerce of the House of Representatives.

The resolution was agreed to.

TREASURY-POST OFFICE APPROPRIATION BILL, 1952

Mr. GARY. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3282) making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank of Washington for the fiscal year ending June 30, 1952, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. GARY, FERNANDEZ, PASSMAN, SIEMINSKI, CANNON, CANFIELD, WILSON of Indiana, JAMES, and WIGGLESWORTH.

THE CENTRAL VALLEY IRRIGATION PROJECT, CALIFORNIA

(Mr. HAVENNER asked and was given permission to address the House for 1 minute and to include an article from the Christian Science Monitor.)

Mr. HAVENNER. Mr. Speaker, today the people of California begin a 10-day celebration of the official opening of the irrigation department of the great Central Valley project. For the first time in the history of the world irrigation water will be moved, under the direction of man, for a distance of 500 miles. After the first water is released from Shasta Dam, at the northern end of the Sacramento Valley, it will take 10 days for it to reach the southern end of the Friant-Kern canal in the lower San Joaquin Valley.

Two-thirds of the Central Valley project's water supply originates in the Sacramento Valley, but only one-third of the agricultural lands which can be irrigated are in this section. So the largest celebration will occur when Secretary of the Interior Chapman dedicates the huge pumping plant at Tracy, where the northern waters will be pumped over "the hump" into the vast agricultural areas of the San Joaquin Valley, stretching southerly for nearly 300 miles.

Mr. Speaker, water is the lifeblood of California's economy, and the unification of the water resources of these two great valleys, whose soil is as rich and fertile as that of the Valley of the Nile, is an epic achievement. All of the people of America will in the future partake of the food crops which the wizardry of this water supply will produce in this great agricultural domain.

We Californians are grateful to the Congress of the United States for financing this great project, and we are confident that all of our previous promises to repay much of the money expended will be fulfilled.

Following is a fine description and discussion of the Central Valley project, which was published a few days ago in the Christian Science Monitor:

(By Saville R. Davis)

IN AN AIRPLANE OVER REDDING, CALIF.—From 11,000 feet, on a level with the top of Mount Shasta, you sweep north over the thirsty Central Valley of California and say to yourself: This is one answer to the world's problems.

Below you is point 4 in operation.

You have flown along 500 miles of valley where water makes the difference between parched desert and an incredible richness of yield. Not water as nature unleashed it, catastrophic flood followed by unbearable drought, but water stored in floodtime by the ingenuity and cooperative effort of men, and distributed evenly throughout the year.

You have flown over a crazy quilt of fields in the south part of the valley, where some of the highest yields an acre in the world are in imminent danger. The water table is falling rapidly and must be rescued.

THIN CURVE OF WHITE

You followed the long threads of rivers, dams, canals, and pumps which in effect will deliver surplus water from the northern top of the valley all the way to the south, beginning August 1. On that date, huge

pumps at Tracy will lift northern water into the Delta-Mendota Canal and cut in the connecting link of this vast system.

You watched first the cotton and citrus fields and the vineyards melt into a hot haze behind you; then the abstract art of the rice paddies farther north. Now you go up into the nose of the plane and look past the pilots to see what makes it all possible.

The Sacramento River narrows. A mountain wall looms up at the top of the valley. A patch of whiteness against a gray-hot sky becomes the cone of Shasta in the distance. You can almost feel the tension exerted on that snow and mountain water by the craving of the valley behind, a pull of the lives of men and women and their desire to feed the hungry and make nature work for the people instead of against them.

Then you see it, a thin curve of white, no bigger than a man's hand. As the plane climbs higher and the foothills drop below the line of your eye, it suddenly stands out, glistening. And behind it is water, blue, blue, and seemingly endless. The higher you climb, the more water you see, reaching like the spokes of a fan back into deep mountain valleys.

WATER UNDER AUTHORITY

Your greedy eye tells you there is no treasure like this, as the sheets of blue finally come into full view, and look like an empire of wealth below. This is water under authority, ready to go down through electric generators, down the Sacramento River, across the maze of the deltas, up through the pumps of Tracy, along the Delta-Mendota canal for 120 miles, down into the San Joaquin River—thereby releasing the headwaters of the San Joaquin to flow on southward in the 150-mile Friant-Kern Canal, into the very pit of fertility and falling water tables in the bottom of the valley.

A man can be forgiven a sense of rhapsody at a moment like this.

Back in the slipstream of the plane and ahead in those fjords of water are examples—so easy to see and grasp within the classic limits of one valley—of what both the individual and cooperative genius of men can accomplish. Down below there is a whole complex of rich farms built by the initiative and drive of men who love the land, local irrigation districts which slowly brought order into a fantastic tangle of water rights, and huge dams where the distant power of national government brought its giant financial strength into the valley and its controversial ideas on conservation and the family-sized farm.

CONTRADICTIONARY ELEMENTS

Looking at it from up here where the haze thins out, you can't see clearly enough to resolve all those conflicts down below. But you can at least make out a pattern which includes all the fiercely contradictory elements. You have the owner of the large farm, who looks very big to the small migrant worker, and in turn feels very small when he looks up at the power of the Federal Government.

You have the drive of individual initiative raised to a high intensity by the extremely profitable return for efficient operation in the valley—and you have the socially conscious drive to protect the migrant worker and the family farm.

You have the advantages of big business, never more brilliantly illustrated than on the enormous industrial farms here which are operated as business enterprises, and you have the disadvantages of bigness. Likewise you have the very human longing for security on a smaller subsistence farm, where it is economically feasible, and you have the limitations of the small unit in

this world where the consumer wants the low costs of bigness.

You also have a lusty political battle.

This country now has what is called a "mixed economy." Those who believe in slanting it as heavily as possible in favor of private initiative are battling in this valley against partisans of the Bureau of Reclamation which would slant the mixed economy in favor of public power and control of water to favor the small landowner.

Since the American democracy is built that way, each side is using every political weapon to advance its cause.

THIRD INGREDIENT

From up aloft, here, it is easier to see a third ingredient which exists independent of the controversy. It is the fact of more water for the valley. Whatever the final balance between the individual and the collective, it's plain that something very big is happening here. It is easy to fancy, at this height, that you can see out beyond the valley walls and across a world where the development of resources has only begun.

Many a prophet, standing at the half-century mark last winter, looked ahead 50 years and said that the development of world resources, to feed the hungry and lift the degrading plague of poverty, would dominate the new half century. Granted that big projects—dams and irrigation, for example—are only part of this picture. What underdeveloped areas most need at the start is not tractors but to add a few pounds of steel to the wooden stick which most of the world's farmers use for a plow. At first, unspectacular teaching of simple good farming with modestly improved tools offers by far the greatest gain.

But the Central Valley projects have their place too. They lift sights and plans. They show what the group can do, which men living each unto himself cannot accomplish. Without vision, as the prophet said, the people perish—in this case from flood, erosion, natural drought, and drought from misuse of the land. There is vision, here, for people elsewhere who are crushed under the weight of inertia and who just don't know that it can be done. Once they learn—who shall say what limits there will be to similar valley projects?

DOWN TO EARTH

To come down to earth.

There is one point on which the whole valley is united: the new supply of water is itself a kind of miracle. Everyone welcomes it. But from that point on begins one of the really epic contests of these times. Two coalitions of people, two philosophies of government, are locked in dispute over which shall control the distribution of the precious liquid. Each has a special interest and each believes it represents the American way.

The conflict is complete. In the lustiest tradition of American politics, each side is using argument, propaganda, State and national political pressure. No more genuine dispute could divide two groups of people.

The only fair procedure is to state the case for each, with all the eloquence of its sponsors. Then let the democratic process work, the reader make up his mind, and the best man win.

On one side stand the supporters of the United States Bureau of Reclamation, conceived by one Roosevelt and lifted to its present pinnacle by another. The following is the best partisan—repeat partisan—argument for the Bureau that a week in the Central Valley could yield, from all available sources:

IMAGINATIVE TERMS

The Bureau of Reclamation stands for a very large concept called conservation—conservation of national resources and their development for the best use of the largest

number of people. It thinks in bold and imaginative terms. It enters the Central Valley as a combination engineer and politician would set about a job of master planning for the community as a whole.

It asks: What are the total water resources of this valley available to competent engineers? How can they be harnessed so as to serve the best balance between all the elements of land and resource development for this valley: flood control, irrigation, production and distribution of electric power, preservation of water tables, forestation, recreation, scenic development, fish and wildlife conservation. And how can these factors be fitted into a broadly liberal concept of social and political planning for the valley? How can the benefits of public investment of public money be made to serve the largest number of people?

For the Bureau is frankly a social and community planner. At its very inception, under Theodore Roosevelt's law of 1902, it was brought into being to form homesteads—subsistence farms for small men. It had then, and retains now, a definite social philosophy: that large concentrations of landed wealth can readily be built up under the competitive system, and become powerful enough to drive the small man out of business unless society steps in and defends the small man.

DRASTIC POSITION

The Bureau and the reclamation law behind it developed not long after the first antitrust laws in the industrial field. From their very beginning in 1902 they have taken a drastic position against land bigness, through the extremely controversial 160-acre limitation, as it is called—the provision that water and all the benefits flowing from Federal reclamation projects shall not go to farms larger than 160 acres, except in States where man and wife can hold property in common. There the limit is 320 acres.

The Bureau and its friends believe this is in the American tradition. Americans, they argue, came to this country precisely to escape from the medieval form of society where the few big men were lords and the many small men were serfs, where land reform came only by bloody revolution and didn't come to stay.

The American democracy was built by and for the average man, and history books show many safeguards written into law by the early settlers and the founding fathers, so that no men could take advantage of the tendency of wealth and power on the land to beget more wealth and power, and thereby to set up a land monopoly and a kind of dictatorship over the lives of its workers.

Today, in the Central Valley, the Bureau and its supporters live by the same philosophy. Which is better, they argue: A valley where water brought in by public money is used to encourage as many men and women as possible to own their own homes and farms? Or the valley where huge corporation farms with their inevitable encouragement of drifting, homeless, migrant labor, are allowed to dominate the picture and grow unchecked?

UNITED STATES LAW CALLED IN

"Is the latter a fit pattern for American society?" they ask. If not—here a tough-minded political point comes in—then who is to prevent it? The laws of the States. Sometimes, yes. The admirably democratic irrigation districts here are a formation of California law.

But in general, granting the merit of States' rights, history shows that the National Government has been more responsive to conservation needs and to the small man than State legislatures, and the latter have been more vulnerable to the lobbies and special interests of large landowners, private

utilities, and industrial units. So the argument goes.

Hence the Federal law steps in—or rather is called in, because up to now the States haven't felt they could muster the financial strength for the huge dams, canals, and power plants for the regional developments of today.

When opponents of the Bureau argue that it is big and remote and socialistic and dictatorial, and represents an even worse example of bigness than the large farms it wants to counterbalance, in the valley, then the Bureau's friends reply that it is big, yes. The Federal Government is big. But what is the effect of its intervention in the valley? To protect the small man, which is a legitimate function of Government. The unavoidably large power of Government is being used not for purposes of bigness but to encourage a citizen-sized smallness.

CHARGE REJECTED

In general, the Bureau's friends consider that it supports private enterprise rather than the contrary. It carries Government operation only to the point of delivering water to the private farm, business, or consumer.

From that point onward, its concern is to serve as many private enterprises as possible. (With respect to electric power, the debate is admittedly a little different and too complex to summarize adequately here.)

Finally, the friends of the Bureau reject the charge that it denies to Americans the right of equal opportunity. Opportunity, they ask, for whom? For the comparatively few or the many? Exclusive opportunity for those who are already established owners of land and water rights and who naturally look askance at newcomers—or for the workers and migrant laborers who don't have land now, and would like to get enough land and water for a home and family? What, they ask, is "equal" opportunity—especially in a valley where both land and water are in short supply—except opportunity for the largest number of citizens?

THE OTHER SIDE

On the other side of this large-scale debate stand the organized farmers and business organizations of the valley. They are supported to the extent that its policy is not to interfere with local administration of the water resources. The following is the best partisan—repeat partisan—argument for their side that a work in the valley could yield, from all available sources:

To begin with, they tell you, the reclamation law is archaic. It was created to open up new homesteading land a half century ago. If its 160-acre limitation made sense then, it makes none today.

For one reason, the Central Valley is not a wasteland area to be reclaimed. When the Bureau of Reclamation came in here, much of the valley was a highly developed area with an intricate system of water rights tested in the courts.

To be sure, a large amount of new land will be brought into use by Bureau water, and the rapidly falling water table will have to be reclaimed. But to talk of reclamation for the area as a whole makes nonsense. The Bureau, entering the valley with an alien philosophy, is not touching virgin soil as in much of the Tennessee Valley; it is touching men's long-established investments and rights in which they should be secure.

This cannot be done under the morale of our system. The Government has no ethical right to tear up a system built by men who were free to build their own way of life in order to impose some other philosophy and system.

OPPOSITION VOICED

For this reason small farmers as well as big are generally opposed to the bureau and

TREASURY AND POST OFFICE DEPARTMENTS
APPROPRIATION BILL, 1952

AUGUST 2, 1951.—Ordered to be printed

Mr. GARY, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 3282]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3282) making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank of Washington for the fiscal year ending June 30, 1952, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 4, 7, 9, 20, 24, 25, 27, 31, and 33.

That the House recede from its disagreement to the amendments of the Senate numbered 10, 15, 18, 29, 30, 32, and 36 and agree to the same.

Amendment numbered 1:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$2,446,000; and the Senate agree to the same.

Amendment numbered 3:

That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$1,925,000; and the Senate agree to the same.

Amendment numbered 5:

That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$11,500,000; and the Senate agree to the same.

Amendment numbered 6:

That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$50,000,000; and the Senate agree to the same.

Amendment numbered 8:

That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$20,600,000; and the Senate agree to the same.

Amendment numbered 11:

That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$1,050,000; and the Senate agree to the same.

Amendment numbered 12:

That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$37,500,000; and the Senate agree to the same.

Amendment numbered 14:

That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$253,000,000; and the Senate agree to the same.

Amendment numbered 16:

That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$3,250,000; and the Senate agree to the same.

Amendment numbered 17:

That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$2,500,000; and the Senate agree to the same.

Amendment numbered 19:

That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$4,600,000; and the Senate agree to the same.

Amendment numbered 21:

That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$15,350,000; and the Senate agree to the same.

Amendment numbered 22:

That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows:

Restore the matter stricken out by said amendment, amended to read as follows: *purchase of not to exceed ten passenger motor vehicles;*; and the Senate agree to the same.

Amendment numbered 23:

That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$1,850,000; and the Senate agree to the same.

Amendment numbered 26:

That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$20,300,000 and the Senate agree to the same.

Amendment numbered 28:

That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$1,850,000,000; and the Senate agree to the same.

Amendment numbered 35:

That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows:

In line 6 of said amendment, after the word "whose", insert the following: *primary*; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 13 and 34.

J. VAUGHAN GARY,
OTTO E. PASSMAN,
ALFRED D. SIEMINSKI,
CLARENCE CANNON,
BEN F. JAMES,
EARL WILSON,

Managers on the Part of the House.

HARLEY M. KILGORE,
BURNET R. MAYBANK,
JOHN L. MCCLELLAN,
KENNETH MCKELLAR,
OLIN D. JOHNSTON,
ZALES N. ECTON,
STYLES BRIDGES,
LEVERETT SALTONSTALL,

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3282) making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank of Washington for the fiscal year ending June 30, 1952, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TREASURY DEPARTMENT

Amendment No. 1, relating to the Office of the Secretary: Appropriates \$2,446,000 for salaries and expenses instead of \$2,400,000 as proposed by the House and \$2,565,278 as proposed by the Senate.

Amendment No. 2, relating to the Office of the Secretary: Strikes out the Senate proposal to limit the amount for personal services, as proposed by the House.

Amendment No. 3, relating to the Bureau of Accounts: Appropriates \$1,925,000 for salaries and expenses instead of \$1,850,000 as proposed by the House and \$2,050,000 as proposed by the Senate.

Amendment No. 4, relating to the Bureau of Accounts: Restores language as proposed by the House.

Amendment No. 5, relating to the Division of Disbursement: Appropriates \$11,500,000 for salaries and expenses instead of \$11,050,000 as proposed by the House and \$11,775,000 as proposed by the Senate.

Amendment No. 6, relating to the Bureau of the Public Debt: Appropriates \$50,000,000 for administering the public debt instead of \$49,000,000 as proposed by the House and \$51,993,704 as proposed by the Senate.

Amendment No. 7, relating to the Bureau of the Public Debt: Strikes out the Senate proposal to limit the amount for personal services, as proposed by the House.

Amendment No. 8, relating to the Office of the Treasurer: Appropriates \$20,600,000 for salaries and expenses instead of \$20,500,000 as proposed by the House and \$20,868,165 as proposed by the Senate.

Amendment No. 9, relating to the Office of the Treasurer: Strikes out the Senate proposal to limit the amount for personal services, as proposed by the House.

Amendment No. 10, relating to Contingent Expenses, Public Moneys: Appropriates \$500,000 as proposed by the Senate instead of \$475,000 as proposed by the House.

Amendment No. 11, relating to the Bureau of Customs: Limits to \$1,050,000 the amount that can be spent for personal services in the District of Columbia instead of \$1,000,000 as proposed by the House and \$1,086,930 as proposed by the Senate.

Amendment No. 12, relating to the Bureau of Customs: Appropriates \$37,500,000 for salaries and expenses instead of \$36,825,000 as proposed by the House and \$37,949,700 as proposed by the Senate.

Amendment No. 13, relating to the Bureau of Internal Revenue: Reported in disagreement.

Amendment No. 14, relating to the Bureau of Internal Revenue: Appropriates \$253,000,000 for salaries and expenses instead of \$252,000,000 as proposed by the House and \$255,000,000 as proposed by the Senate.

Amendment No. 15, relating to the Bureau of Narcotics: Appropriates \$2,100,000 as proposed by the Senate instead of \$2,025,000 as proposed by the House.

Amendment No. 16, relating to the Bureau of Engraving and Printing: Appropriates \$3,250,000 for working capital instead of \$3,000,000 as proposed by the House and \$3,500,000 as proposed by the Senate.

Amendment No. 17, relating to the Secret Service Division: Appropriates \$2,500,000 for salaries and expenses instead of \$2,475,000 as proposed by the House and \$2,550,000 as proposed by the Senate.

Amendment No. 18, relating to the Guard Force: Appropriates \$450,000 for salaries and expenses as proposed by the Senate instead of \$400,000 as proposed by the House.

Amendment No. 19, relating to the Bureau of the Mint: Appropriates \$4,600,000 for salaries and expenses instead of \$4,300,000 as proposed by the House and \$4,965,800 as proposed by the Senate.

Amendment No. 20, relating to the Bureau of the Mint: Strikes out the Senate proposal to limit the amount for personal services, as proposed by the House.

Amendment No. 21, relating to the Coast Guard: Appropriates \$15,350,000 for acquisition, construction and improvements instead of \$15,000,000 as proposed by the House and \$15,500,000 as proposed by the Senate.

Amendment No. 22, relating to reserve training of the Coast Guard: Provides for the purchase of 10 passenger motor vehicles instead of 11 as proposed by the House and none as proposed by the Senate.

Amendment No. 23, relating to Reserve Training of the Coast Guard: Appropriates \$1,850,000 instead of \$2,000,000 as proposed by the House and \$1,500,000 as proposed by the Senate.

Amendment No. 24, relating to general provisions: Strikes out the Senate proposal to reduce the amounts for personal services in certain bureaus and divisions of the Treasury Department, as proposed by the House.

Amendment No. 25: Retains section number, as proposed by the House.

POST OFFICE DEPARTMENT

Amendment No. 26, relating to general administration: Appropriates \$20,300,000 instead of \$20,000,000 as proposed by the House and \$20,623,697 as proposed by the Senate.

Amendment No. 27, relating to general administration: Strikes out the Senate proposal to limit the amount for personal services, as proposed by the House.

Amendment No. 28, relating to postal operations: Appropriates \$1,850,000,000 instead of \$1,845,000,000 as proposed by the House and \$1,852,100,000 as proposed by the Senate.

Amendments Nos. 29 and 30, relating to transportation of mails: Limits payments for current and prior fiscal years to settlements with foreign countries for handling of mail as proposed by the Senate.

Amendment No. 31, relating to transportation of mails: Appropriates \$465,000,000 as proposed by the House instead of \$450,000,000 as proposed by the Senate.

Amendment No. 32, relating to general provisions: Strikes out House language authorizing sale of maps as proposed by the Senate. This authority has been enacted into permanent law since the accompanying bill passed the House.

Amendment No. 33, relating to annual leave of postal employees: Strikes out the Senate proposal to change the annual leave of postal employees, as proposed by the House. This action is taken inasmuch as legislation on the subject is now pending in Congress.

Amendment No. 34, relating to general provisions of the bill: Reported in disagreement.

Amendment No. 35, relating to general provisions of the bill: Limits appropriations for salaries of civilian employees whose *primary* duties consist of acting as chauffeur, instead of the limitation proposed by the Senate which prohibited the use of appropriations to pay the compensation of any civilian employee whose duties would include those of acting as chauffeur.

Amendment No. 36 changes a section number as proposed by the Senate.

AMENDMENTS REPORTED IN DISAGREEMENT

The following amendments are reported in disagreement:

Amendment No. 13, relating to the Bureau of Internal Revenue: Controls use of seized vehicles. The managers on the part of the House will move to recede and concur with an amendment.

Amendment No. 34, relating to general provisions of the bill: Limits the use of appropriations for information purposes. The managers on the part of the House will move to recede and concur.

J. VAUGHAN GARY,
OTTO E. PASSMAN,
ALFRED D. SIEMINSKI,
CLARENCE CANNON,
BEN F. JAMES,
EARL WILSON,

Managers on the Part of the House.



82^D CONGRESS
1ST SESSION

H. R. 3282

IN THE HOUSE OF REPRESENTATIVES

JULY 27, 1951

Ordered to be printed with the amendments of the Senate numbered

AN ACT

Making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank of Washington for the fiscal year ending June 30, 1952, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **TITLE I—TREASURY DEPARTMENT**

4 That the following sums are appropriated, out of any money
5 in the Treasury not otherwise appropriated, for the Treasury
6 Department for the fiscal year ending June 30, 1952,
7 namely:

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

For necessary expenses in the Office of the Secretary, including the bookbindery; the operation and maintenance of the Treasury Building and Annex thereof; and the purchase of uniforms for elevator operators; ~~(1)\$2,400,000~~ \$2,565,278 ~~(2)~~, of which not to exceed \$2,255,712 shall be available for personal services.

DAMAGE CLAIMS

For payment of claims (except those under the Bureau of Engraving and Printing) pursuant to law (28 U. S. C. 2672), \$25,000.

BUREAU OF ACCOUNTS

SALARIES AND EXPENSES

For necessary expenses including contract stenographic reporting services, ~~(3)\$1,850,000~~ \$2,050,000: *Provided*, That Federal Reserve banks and branches may be reimbursed for necessary expenses incident to the deposit of ~~(4)withheld~~ taxes in Government depositories.

SALARIES AND EXPENSES, DIVISION OF DISBURSEMENT

For necessary expenses of the Division of Disbursement, ~~(5)\$11,050,000~~ \$11,775,000.

BUREAU OF THE PUBLIC DEBT

ADMINISTERING THE PUBLIC DEBT

For necessary expenses connected with any public-debt operations authorized by the Second Liberty Bond Act, as amended (31 U. S. C. 760-762), and with the administration of any public debt or currency issues of the United States with which the Secretary of the Treasury is charged, ~~(6)\$49,000,000~~ *\$51,993,704* ~~(7)~~, of which not to exceed *\$17,219,616* shall be available for personal services, to be expended as the Secretary of the Treasury may direct, and the Secretary is authorized to accept services without compensation: *Provided*, That Federal Reserve banks and branches may be reimbursed for expenditures as fiscal agents of the United States on account of public-debt transactions for the account of the Secretary of the Treasury, and advances to the Postmaster General may be made in accordance with the provisions of section 22 (e) of the Second Liberty Bond Act, as amended (31 U. S. C. 757c (e)) : *Provided further*, That the indefinite appropriation provided by section 10 of said Act, as amended, shall not be available for obligation during the current fiscal year.

1 OFFICE OF THE TREASURER

2 SALARIES AND EXPENSES

3 For necessary expenses of the Office of the Treasurer,
4 ~~(8)\$20,500,000~~ \$20,868,165 ~~(9)~~, of which not to exceed
5 \$4,404,868 shall be available for personal services.

6 CONTINGENT EXPENSES, PUBLIC MONEYS

7 For the collection, safekeeping, transfer, and disburse-
8 ment of the public money and securities of the United
9 States, ~~(10)\$475,000~~ \$500,000.

10 BUREAU OF CUSTOMS

11 SALARIES AND EXPENSES

12 For expenses necessary for collecting the revenue from
13 customs, enforcement of navigation laws under section 102,
14 Reorganization Plan Numbered III of 1946, and of other
15 laws enforced by the Bureau of Customs, and the detection
16 and prevention of frauds, including not to exceed \$100,000
17 for the securing of information and evidence; transportation
18 and transfer of customs receipts from points where there are
19 no Government depositories; examination of estimates of
20 appropriations in the field; expenses of attendance at meet-
21 ings of organizations concerned with the purposes of this
22 appropriation; purchase of one hundred passenger motor
23 vehicles for replacement only; expenses of seizure, custody,
24 and disposal of property; arms and ammunition; and not to
25 exceed ~~(11)\$1,000,000~~ \$1,086,930 for personal services in

1 the District of Columbia exclusive of ten persons from the
2 field force authorized to be detailed under law (19 U. S. C.
3 1525) ; ~~(12)\$36,825,000~~ \$37,949,700.

4 BUREAU OF INTERNAL REVENUE

5 SALARIES AND EXPENSES

6 For necessary expenses in assessment and collection of
7 internal-revenue taxes; administration of the internal-revenue
8 laws; discharge of functions imposed upon the Commissioner
9 of Internal Revenue by or pursuant to other laws; investiga-
10 tions concerning the enrollment or disbarment of practitioners
11 before the Treasury Department in internal-revenue matters;
12 and acquisition, operation, maintenance, and repair of prop-
13 erty under title III of the Liquor Law Repeal and Enforce-
14 ment Act (40 U. S. C. 304f-m), including expenses, when
15 specifically authorized by the Commissioner, of attendance
16 at meetings of organizations concerned with internal-revenue
17 matters; purchase (not to exceed three hundred for replace-
18 ment only) and hire of passenger motor vehicles ~~(13)~~and in
19 addition to the number of passenger motor vehicles provided
20 for herein, the Bureau may use not to exceed twenty pas-
21 senger motor vehicles acquired through seizure as provided
22 for by law; examination of estimates of appropriations in
23 the field; services as authorized by section 15 of the Act of
24 August 2, 1946 (5 U. S. C. 55a), and of expert witnesses
25 at such rates as may be determined by the Commissioner of

1 Internal Revenue; expenses of seizure, custody, and disposal
 2 of property; purchase of chemical analyses and expenses of
 3 testimony thereon; ammunition; securing of information and
 4 evidence; and not to exceed \$500,000 for detecting and
 5 bringing to trial persons guilty of violating the internal-
 6 revenue laws or conniving at the same, as authorized by law
 7 (26 U. S. C. 3792); ~~(14)\$252,000,000~~ \$255,000,000:
 8 *Provided*, That the amount for personal services in the Dis-
 9 trict of Columbia shall not exceed \$17,700,000.

10 ADDITIONAL INCOME TAX ON RAILROADS IN ALASKA

11 For the payment to the Treasurer of Alaska of an
 12 amount equal to the tax of 1 per centum collected on the
 13 gross annual income of all railroad corporations doing busi-
 14 ness in Alaska, on business done in Alaska, which tax is in
 15 addition to the normal income tax collected from such cor-
 16 porations on net income, the amount of such additional tax
 17 to be applicable to general Territorial purposes, \$8,000.

18 BUREAU OF NARCOTICS

19 SALARIES AND EXPENSES

20 For expenses necessary to enforce sections 2550-2565;
 21 2567-2571; 2590-2603; 3220-3228; 3230-3238 of the In-
 22 ternal Revenue Code; the Narcotic Drugs Import and Export
 23 Act, as amended (21 U. S. C. 171-184); the Act of June
 24 14, 1930 (5 U. S. C. 282-282c and 21 U. S. C. 197-198)

1 and the Opium Poppy Control Act of 1942 (21 U. S. C.
 2 188-188n), including services as authorized by section
 3 15 of the Act of August 2, 1946 (5 U. S. C. 55a);
 4 purchase of chemical analyses and testimony thereon; ex-
 5 penses of seizure, custody, and disposal of property; hire of
 6 passenger motor vehicles; arms and ammunition; not to
 7 exceed \$10,000 for the collection and dissemination of in-
 8 formation and appeal for law observance and law enforce-
 9 ment, including cost of printing; securing of information
 10 and evidence; and not to exceed \$10,000 for services or
 11 information looking toward the apprehension of narcotic
 12 law violators who are fugitives from justice; ~~(15)\$2,025,000~~
 13 \$2,100,000.

14 BUREAU OF ENGRAVING AND PRINTING

15 For working capital for the Bureau of Engraving and
 16 Printing Fund established by the Act of August 4, 1950
 17 (Public Law 656), ~~(16)\$3,000,000~~ \$3,500,000: *Provided,*
 18 That hereafter, in order to foster competition in the manu-
 19 facture of distinctive paper for United States currency and
 20 securities, the Secretary of the Treasury is authorized, in his
 21 discretion, to split the award for such paper between the two
 22 bidders whose prices per pound are the lowest received after
 23 advertisement.

SECRET SERVICE DIVISION

SALARIES AND EXPENSES

For expenses necessary in detecting, arresting, and delivering into other custody dealers and pretended dealers in counterfeit money, persons engaged in counterfeiting, forging, and altering United States notes, bonds, national bank notes, Federal Reserve notes, Federal Reserve bank notes, and other obligations and securities of the United States and of foreign governments (including endorsements thereon and assignments thereof), as well as the coins of the United States and of foreign governments, and persons committing other crimes against the laws of the United States relating to the Treasury Department and the several branches of the public service under its control; for the protection of the person of the President, the members of his immediate family, the Vice President, and of the person chosen to be President of the United States; purchase (not to exceed thirty-five for replacement only) and hire of passenger motor vehicles; arms and ammunition; and not to exceed \$20,000, with the approval of the Chief of the Secret Service, for services or information looking toward the apprehension of criminals; (17) ~~\$2,475,000~~ \$2,550,000.

SALARIES AND EXPENSES, WHITE HOUSE POLICE

For necessary expenses, including uniforms and equipment, and arms and ammunition, purchases to be made in

1 such manner as the President may determine, \$647,000:
 2 *Provided*, That this appropriation shall be available for the
 3 employment of additional personnel without regard for the
 4 limitation contained in section 2 of the Act of August 15,
 5 1950 (Public Law 693).

6 SALARIES AND EXPENSES, GUARD FORCE

7 For necessary expenses of the guard force for Treasury
 8 Department buildings in the District of Columbia, and else-
 9 where, including purchase, repair, and cleaning of uniforms;
 10 and arms and ammunition; ~~(18)\$400,000~~ \$450,000:
 11 *Provided*, That funds may be advanced or reimbursed to
 12 this appropriation from the Bureau of Engraving and Print-
 13 ing to cover service rendered such Bureau: *Provided further*,
 14 That the Secretary of the Treasury may detail two agents
 15 of the Secret Service to supervise such force.

16 BUREAU OF THE MINT

17 SALARIES AND EXPENSES

18 For necessary expenses at the mints at Philadelphia,
 19 Pennsylvania, San Francisco, California, and Denver, Col-
 20 orado; the assay offices at New York, New York, and
 21 Seattle, Washington; the bullion depositories at Fort Knox,
 22 Kentucky, and West Point, New York; and the Office of
 23 the Director of the Mint, and for carrying out the provisions
 24 of the Gold Reserve Act of 1934 and the Silver Purchase

1 Act of 1934, including arms and ammunition, purchase and
 2 maintenance of uniforms and accessories for guards, purchase
 3 of one passenger motor vehicle (for replacement only), cases
 4 and enameling for medals manufactured, loss on sale of
 5 sweeps arising from the treatment of bullion and the manu-
 6 facture of coins, not to exceed \$1,000 for the expenses of
 7 the annual assay commission, and not to exceed \$1,000
 8 for acquisition, at the dollar face amount or otherwise, of
 9 specimen and rare coins, including United States and foreign
 10 gold coins and pieces of gold used as, or in lieu of, money,
 11 and ores for addition to the Government's collection;
 12 ~~(19)\$4,300,000~~ \$4,965,800 ~~(20)~~, of which not to exceed
 13 \$4,259,800 shall be available for personal services.

14 COAST GUARD

15 OPERATING EXPENSES

16 For expenses necessary for the operation and mainte-
 17 nance of the Coast Guard, not otherwise provided for,
 18 including pay and allowances, as authorized by law, for
 19 commissioned officers, cadets, warrant officers, and enlisted
 20 personnel, on active duty; services as authorized by section
 21 15 of the Act of August 2, 1946 (5 U. S. C. 55a); pur-
 22 chase of not to exceed thirty-one passenger motor vehicles
 23 for replacement only; maintenance, operation, and repair
 24 of aircraft; not to exceed \$280,000 for recreation, amuse-
 25 ment, comfort, and contentment of enlisted personnel of

1 the Coast Guard, to be expended pursuant to regulations
2 prescribed by the Secretary; and examination of estimates
3 of appropriations in the field; \$162,700,000: *Provided*, That
4 the number of aircraft on hand at any one time shall not
5 exceed one hundred and thirteen exclusive of planes and parts
6 stored to meet future attrition: *Provided further*, That
7 no part of this appropriation shall be used to pay any en-
8 listed man of the Coast Guard while detailed for duty at
9 Coast Guard headquarters if such detail increases above
10 fifty-five the total number of enlisted men so detailed to
11 duty at such time: *Provided further*, That (a) the unob-
12 ligated balance of appropriation to the Coast Guard for the
13 fiscal year 1951 for "Operating expenses" shall be trans-
14 ferred on July 1, 1951, to the account established by the
15 Surplus Fund-Certified Claims Act of 1949 for payment of
16 certified claims; (b) amounts equal to the unliquidated ob-
17 ligations on July 1, 1951, against the appropriation "Operat-
18 ing expenses", fiscal year 1951, and the appropriations to
19 the Coast Guard for the fiscal year 1950 which were merged
20 therewith pursuant to the Treasury Department Appropria-
21 tion Act, 1951, shall be transferred to and merged with this
22 appropriation, and such merged appropriation shall be avail-
23 able as one fund, except for accounting purposes of the Coast
24 Guard, for the payment of obligations properly incurred
25 against such prior year appropriations and against this ap-

1 appropriation, but on July 1, 1952, there shall be transferred
 2 from such merged appropriation to the appropriation for
 3 payment of certified claims (1) any remaining unexpended
 4 balance of the 1950 appropriations so transferred, and (2)
 5 any remaining unexpended balance of the 1951 appropria-
 6 tion so transferred which is in excess of the obligations then
 7 remaining unliquidated against such appropriation.

8 ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

9 For establishing and improving aids to navigation; the
 10 purchase or construction of additional and replacement
 11 vessels and their equipment; the purchase of aircraft and
 12 their equipment; the construction, rebuilding, or extension
 13 of shore facilities, including the acquisition of sites and im-
 14 provements thereon when specifically approved by the
 15 Secretary; and for expenditures directly relating thereto,
 16 including personal services; ~~(21)\$15,000,000~~ \$15,500,000,
 17 to remain available until expended.

18 RETIRED PAY

19 For retired pay for commissioned officers, warrant
 20 officers, and enlisted personnel; for certain members of the
 21 former Life Saving Service authorized by law (14 U. S. C.
 22 431b); and for certain officers and employees entitled
 23 thereto by virtue of former employment in the Lighthouse
 24 Service engaged in the field service or on vessels of the
 25 Coast Guard (33 U. S. C. 763, 765); including the payment

1 of obligations therefor incurred during prior fiscal years;
 2 \$16,647,000.

3 RESERVE TRAINING

4 For all necessary expenses for the Coast Guard Reserve,
 5 as authorized by law (14 U. S. C. 751-762; 37 U. S. C.
 6 231-319), including expenses for regular personnel, or re-
 7 serve personnel while on active duty, engaged primarily in
 8 administration of the reserve program; ~~(22) purchase of not to~~
 9 ~~exceed eleven passenger motor vehicles;~~ and the maintenance.
 10 operation, and repair of aircraft; ~~(23) \$2,000,000~~ \$1,500,000.
 11 ~~(24)~~ SEC. 102. (a) No part of any appropriation made by
 12 this title for any purpose shall be used for the payment of
 13 personal services in excess of an amount equal to 90 per
 14 centum of the amount requested for personal services for
 15 such purpose in budget estimates heretofore submitted to the
 16 Congress for the fiscal year 1952; and the total amount of
 17 each appropriation, any part of which is available for the
 18 payment of personal services for any purpose, is hereby
 19 reduced by an amount equal to 10 per centum of the amount
 20 requested in such budget estimates for personal services for
 21 such purpose. Nothing in this section shall be construed as
 22 effecting reductions beyond a reduction of 10 per centum
 23 from the budget estimates for personal services.

24 (b) This amendment shall not apply to appropriations

1 *for the Bureau of Customs, the Bureau of Internal Revenue,*
2 *the Bureau of Narcotics, the Secret Service Division, and*
3 *the Coast Guard.*

4 SEC. (25)102 103. This title may be cited as the “Treas-
5 ury Department Appropriation Act, 1952”.

6 TITLE II—POST OFFICE DEPARTMENT

7 For administration and operation of the Post Office
8 Department and the postal service, there is hereby appro-
9 priated the aggregate amount of postal revenues for the
10 fiscal year ending June 30, 1952, as authorized by law
11 (5 U. S. C. 380; 39 U. S. C. 786), together with an
12 amount from any money in the Treasury not otherwise
13 appropriated, equal to the difference between such revenues
14 and the total of the appropriations hereinafter specified and
15 the sum needed may be advanced to the Post Office Depart-
16 ment upon requisition of the Postmaster General, for the
17 following purposes, namely:

18 GENERAL ADMINISTRATION

19 For expenses necessary for general administration of the
20 postal service, operation of the inspection service, and the
21 conduct of a research and development program, including
22 services as authorized by section 15 of the Act of
23 August 2, 1946 (5 U. S. C. 55a); \$250,000 to be
24 available exclusively for procurement by contract of things
25 and services related to design, development, and construction

1 of equipment used in postal operations, and for contracts for
 2 management studies; rewards for information and services
 3 concerning violations of postal laws and regulations, current
 4 and prior fiscal years, in accordance with regulations of the
 5 Postmaster General in effect at the time the services are
 6 rendered or information furnished; purchase of one passenger
 7 motor vehicle (for replacement only) at not to exceed
 8 \$4,500; and expenses of delegates designated by the Post-
 9 master General to attend meetings and conventions for the
 10 purpose of making postal arrangements with foreign govern-
 11 ments pursuant to law and the expenses of delegates pro-
 12 vided for herein and not to exceed \$20,000 for rewards,
 13 as provided for herein, shall be paid in the discretion of
 14 the Postmaster General and accounted for solely on his
 15 certificate; ~~(26)\$20,000,000~~ \$20,623,697 ~~(27)~~, of which
 16 not to exceed \$17,105,765 shall be available for personal
 17 services.

18 POSTAL OPERATIONS

19 For expenses necessary for postal operations, not other-
 20 wise provided for, and for other activities conducted by the
 21 Post Office Department pursuant to law, including \$500,000
 22 to be available exclusively for manufacture and procurement
 23 of improved devices for postal operations and other activities;
 24 \$11,579,000 to be available exclusively for the purchase of
 25 trucks, tractors, and trailers; and storage and repair of

1 vehicles owned by, or under control of, units of the National
 2 Guard and departments and agencies of the Federal Govern-
 3 ment where repairs are made necessary because of utilization
 4 of such vehicles in the postal service; ~~(28)\$1,845,000,000~~
 5 *\$1,852,100,000: Provided, That during the current fiscal*
 6 *year the inventory of trucks, tractors, and trailers of the*
 7 *Post Office Department shall not exceed seventeen thousand*
 8 *five hundred such vehicles at any time.*

9 TRANSPORTATION OF MAILS

10 For payments ~~(29), current and prior fiscal years,~~ for
 11 transportation of domestic and foreign mails by air, land, and
 12 water transportation facilities, ~~(30)including current and~~
 13 *prior fiscal years,* settlements with foreign countries for
 14 handling of mail; and for expenses, exclusive of personal
 15 services, necessary for operation of Government-owned high-
 16 way post office transportation service; ~~(31)\$465,000,000~~
 17 *\$450,000,000.*

18 CLAIMS

19 For settlement of claims, pursuant to law, current and
 20 prior fiscal years, for damages (28 U. S. C. 2672; 31
 21 U. S. C. 224c) ; losses resulting from unavoidable casualty
 22 (39 U. S. C. 49) ; loss of or damage to mail, and failure to
 23 remit collect-on-delivery charges (5 U. S. C. 372; 39
 24 U. S. C. 244, 245a, 245b, 245d, 381, 382, 387) ; and

1 domestic money orders more than one year old (31 U. S. C.
2 725k) ; \$5,500,000.

3 GENERAL PROVISIONS

4 SEC. 202. Appropriations made in this title for general
5 administration and for postal operations shall be available
6 for examination of estimates of appropriations in the field.

7 SEC. 203. Appropriations made in this title, except
8 those for payment of claims, shall be available for expendi-
9 tures in connection with accident prevention.

10 SEC. 204. Appropriations made in this title available
11 for expenses of travel shall be available, under regulations
12 prescribed by the Postmaster General, for expenses of at-
13 tendance at meetings of technical, scientific, professional, or
14 other similar organizations concerned with the function or
15 activity for which the appropriation concerned is made.

16 ~~(32)SEC. 205. The Postmaster General may authorize the~~
17 ~~sale of post route and rural delivery maps, opinions of the~~
18 ~~Solicitor, and transcripts of hearings before trial examiners~~
19 ~~at such rates as he determines to be fair and reasonable.~~

20 ~~(33)SEC. 205. Section 6 of the Act entitled "An Act to re-~~
21 ~~classify the salaries of postmasters, officers, and employees,~~
22 ~~of the Postal Service; to establish uniform procedures for~~
23 ~~computing compensation; and for other purposes", approved~~
24 ~~July 6, 1945, is amended—~~

1 (1) by striking out "fifteen" wherever it appears
2 therein and inserting in lieu thereof "twenty"; and

3 (2) by striking out "one and one-quarter" wher-
4 ever it appears therein and inserting in lieu thereof "one
5 and two-thirds" and

6 (3) by adding at the end thereof a new paragraph
7 as follows:

8 "Employees in the Postal Service whose appoint-
9 ments are temporary or indefinite in character and for
10 not less than ninety consecutive days shall be granted,
11 under such regulations as the Postmaster General shall
12 prescribe, the same rights and benefits with respect to
13 annual and sick leave that accrue to regular employees,
14 and each such employee shall receive credit for one-
15 twelfth of a year for each whole calendar month such
16 employee is carried on the roll as a temporary or in-
17 definite employee: Provided, That the provision of this
18 paragraph shall not apply to substitute rural carriers."

19 The amendments made by clauses (1) and (2) of this section
20 shall be effective as of July 1, 1951, and the amendment made
21 by clause (3) of this section shall be effective as of December
22 1, 1950, but shall not apply in the case of any person who
23 has been separated from the postal service prior to the date
24 of enactment of this Act.

1 SEC. 206. This title may be cited as the "Post Office
2 Department Appropriation Act, 1952".

3 TITLE III—GOVERNMENT CORPORATIONS

4 The following corporation is hereby authorized to make
5 such expenditures, within the limits of funds and borrowing
6 authority available to such corporation, and in accord with
7 law, and to make such contracts and commitments without
8 regard to fiscal year limitations as provided by section 104
9 of the Government Corporation Control Act, as amended, as
10 may be necessary in carrying out the programs set forth in
11 the Budget for the fiscal year 1952 for such corporation,
12 except as hereinafter provided:

13 EXPORT-IMPORT BANK OF WASHINGTON

14 Not to exceed \$950,000 (to be on an accrual basis)
15 of the funds of the Export-Import Bank of Washington shall
16 be available during the current fiscal year for all administra-
17 tive expenses of the bank, including not to exceed \$25,000
18 for temporary services, as authorized by section 15 of the
19 Act of August 2, 1946 (5 U. S. C. 55a) : *Provided*, That
20 necessary expenses (including special services performed
21 on a contract or fee basis, but not including other per-
22 sonal services) in connection with the acquisition, opera-
23 tion, maintenance, improvement, or disposition of any real
24 or personal property belonging to the bank or in which

1 it has an interest including expenses of collections of pledged
2 collateral, or the investigation or appraisal of any property
3 in respect to which an application for a loan has been made,
4 shall be considered as nonadministrative expenses for the
5 purposes hereof.

6 SEC. 302. This title may be cited as the "Export-
7 Import Bank of Washington Appropriation Act, 1952".

8 TITLE IV—GENERAL PROVISIONS

9 SEC. 401. No part of any appropriation contained in
10 this Act, or of the funds available for expenditure by any cor-
11 poration included in this Act, shall be used to pay the salary
12 or wages of any person who engages in a strike against the
13 Government of the United States or who is a member of an
14 organization of Government employees that asserts the right
15 to strike against the Government of the United States, or who
16 advocates, or is a member of an organization that advocates,
17 the overthrow of the Government of the United States by
18 force or violence: *Provided*, That for the purposes hereof an
19 affidavit shall be considered prima facie evidence that the
20 person making the affidavit has not contrary to the provisions
21 of this section engaged in a strike against the Government of
22 the United States, is not a member of an organization of
23 Government employees that asserts the right to strike against
24 the Government of the United States, or that such person
25 does not advocate, and is not a member of an organization

1 that advocates, the overthrow of the Government of the
2 United States by force or violence: *Provided further*, That
3 any person who engages in a strike against the Government
4 of the United States or who is a member of an organization
5 of Government employees that asserts the right to strike
6 against the Government of the United States, or who advo-
7 cates, or who is a member of an organization that advocates,
8 the overthrow of the Government of the United States by
9 force or violence and accepts employment the salary or
10 wages for which are paid from any appropriation or fund
11 contained in this Act shall be guilty of a felony and, upon
12 conviction, shall be fined not more than \$1,000 or imprisoned
13 for not more than one year, or both: *Provided further*, That
14 the above penalty clause shall be in addition to, and not in
15 substitution for, any other provisions of existing law.

16 (34) SEC. 402. *No part of the money appropriated by this*
17 *Act or of the funds made available for expenditure by the*
18 *Export-Import Bank of Washington which is in excess of*
19 *75 per centum of the amount required to pay the compensa-*
20 *tion of all persons the budget estimates for personal services*
21 *heretofore submitted to the Congress for the fiscal year*
22 *1952 contemplated would be employed by the Treasury and*
23 *Post Office Departments and the Export-Import Bank of*
24 *Washington during such fiscal year in the performance of—*

25 (1) *functions performed by a person designated as*

1 *an information specialist, information and editorial spe-*
2 *cialist, publications and information coordinator, press*
3 *relations officer or counsel, photographer, radio expert,*
4 *television expert, motion-picture expert, or publicity*
5 *expert, or designated by any similar title, or*

6 *(2) functions performed by persons who assist per-*
7 *sons performing the functions described in (1) in draft-*
8 *ing, preparing, editing, typing, duplicating, or dissem-*
9 *inating public information publications or releases, radio*
10 *or television scripts, magazine articles, photographs,*
11 *motion pictures, and similar material,*

12 *shall be available to pay the compensation of persons per-*
13 *forming the functions described in (1) or (2).*

14 **(35)** *SEC. 403. Except for the automobiles officially assigned*
15 *to the Secretary of the Treasury and the Postmaster General,*
16 *respectively, and automobiles assigned for operation by the*
17 *Secret Service Division, no part of any appropriation con-*
18 *tained in this Act shall be used to pay the compensation of any*
19 *civilian employee of the Government whose duties consist of*
20 *acting as chauffeur of any Government-owned passenger*
21 *motor vehicle (other than a bus or ambulance), unless such*
22 *appropriation is specifically authorized to be used for paying*
23 *the compensation of employees performing such duties.*

1 SEC. ~~(36)402~~ 404. This Act may be cited as the
2 “Treasury and Post Office Departments Appropriation Act,
3 1952”.

Passed the House of Representatives March 21, 1951.

Attest: RALPH R. ROBERTS,
Clerk.

Passed the Senate with amendments July 27 (legisla-
tive day, July 24), 1951.

Attest: LESLIE L. BIFFLE,
Secretary.

AN ACT

Making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank of Washington for the fiscal year ending June 30, 1952, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 27, 1951

Ordered to be printed with the amendments of the
Senate numbered

economic and military aid to these countries.

The administration has clearly indicated by its actions in the past few months in connection with a policy similar to this which has been enunciated by the State Department to make an exception of every case that has come up. I think the committee has no reason to anticipate that if this bill becomes law they will do anything but make exceptions of every one of those countries which I have named.

May I ask if any member of the committee believes that any of those countries will be cut off from American assistance if this bill is enacted into law? I think the answer is obvious to all of us. None of them will be. Therefore, passing this law is nothing but an empty gesture.

I am offering this amendment primarily to emphasize this basic point: that you are not really accomplishing anything by adopting this bill. I feel it would not be consistent with the course this Nation has taken to cut off assistance to any of these nations. It would have been far more realistic for the committee to have reported out a joint resolution expressing it to be the policy of the Congress that these nations should discontinue their trade with the countries behind the iron curtain, rather than to have taken this course. As it is, all you are doing is passing a bill which if enacted into law will accomplish nothing further than to express such to be the policy of the Congress and also to create a new office which involves a salary of \$16,000 a year plus the cost of a staff. So, other than creating a new bureau and more bureaucrats this bill will do nothing further than express the policy of Congress which could have been done much more effectively through a joint resolution.

If it is impracticable, in view of general policy considerations, to cut off assistance to those countries as a penalty for their continuing to trade with the Red bloc of nations, it would be more forthright for the committee to openly admit this to be the case, rather than to go through the motions of adopting a bill which, on its face would cut off such assistance, but which, in fact, would not do so.

Mr. BURLESON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we are inclined, I think, in these times to oversimplify considerably the tremendous difficulties faced by this Government in its world dealings with other nations, and in coping with this problem which, of course, is one which has given every department of the Government great concern over the last several years. I doubt if those who have spoken in a reflective way upon the departments of Government which have had this responsibility, really mean to say that they have been even slack in their duties. I appreciate very much the remarks of the gentleman from New York [Mr. JAVITS] in respect to the complexities and intricacies of world trade. There is nothing more complicated unless it is the monetary system. You know very well it is not an easy matter.

This is not to defend all past actions of this Government in connection with its efforts to deny materials of war to potential enemies but it is to appreciate the difficulties involved. We are living in times which have no precedent and therefore new procedures and new approaches must be devised. It has been a cumbersome process and the purpose of this legislation is to provide more practical and workable machinery to accomplish that which we all desire.

There is one thing about this measure which I do not believe has been called to the attention of the Members, and that is the fact that responsibility is pinpointed as strictly as the committee could possibly work out. Heretofore someone has referred to it as being a blunderbuss proposition of controlling trade between this country and the satellite nations of Russian and directly with Russia. The responsibility has been divided among a great many different departments. But they have made a tremendous effort, and in executive session we were told of some of those efforts, which we are not at liberty to discuss fully on the floor and which should not be discussed for security reasons. But it does give an appreciation of what they have been up against and what they are still up against. Consider the trade from Western Germany to Eastern Germany. Germany is an entity hard to divide. It alone is a tremendous problem and a place where many abuses have occurred. I mention this situation as an example. Historically, Western Europe has depended for about 45 percent of its food from Eastern Europe. The east is the bread basket of all Europe. You just cannot cut it off, or else we are going to have to furnish it to them. So there is a practical matter to consider. This is not defending past actions, because the least of it has been too much unless it is definitely shown the preponderance of benefits favors the west. The gentleman's amendment would bring about an intolerable condition and leave no room for the exercise of judgment as to benefits which may accrue to the west. The deficits which might occur would have to be made up by this country if we stay in Germany.

The gentleman talks about nullifying the bill should the provision which he wishes to amend remain in the bill. I fear his amendment would nullify the intent, and the thing we are trying to do is find a practical way to deal with this matter. There is a prohibition against the shipment of actual war material, such as guns, ammunition, and atomic materials, and so forth. There is no exception to that, but there has to be some elasticity in those items which are not implements of war per se. The responsibility, remember, is in one as directly as it can be placed and that has been a great weakness in past efforts. The only place he can go for appeal or final decision is to the President of the United States. You have to trust someone. You just cannot have authority dangling in the air without some compactness and some responsibility and without having one man to whom you can say, "Here, this is what has happened. Why has it happened and what

is the answer to it?" That is what the committee hopes it has presented to you.

Mr. ARMSTRONG. Mr. Chairman, will the gentleman yield?

Mr. BURLESON. I yield to the gentleman from Missouri.

Mr. ARMSTRONG. Can the gentleman tell us for what specific items we need elasticity in this matter of east-west trade?

Mr. BURLESON. I will say to the gentleman that in an attempt to answer the question of the lady from Massachusetts [Mrs. ROGERS] I gave an example. Today an item might be critical and tomorrow it might not. Or today it might not be critical and tomorrow it might be. An article might not be critical today and next week it will be because of its particular use at that time.

Mr. ARMSTRONG. Does not the gentleman know that according to this bill if an item is no longer critical it would not apply to that item?

Mr. BURLESON. Someone must decide whether or not it does apply. That person has to be responsible for placing this particular item on the list. The Congress itself cannot draw up a list of critical materials. We could not possibly be experts along that line and know what is critical in one area and not in another or that which may be vital and critical one week and the next, by reason of numerous circumstances, it may be entirely a different situation.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. BURLESON. I yield to the gentleman from Ohio.

Mr. VORYS. Would it not be one of the worst things for us to do to publish an item that had suddenly become critical and thereby let our enemies know that an item which they had not known was critical had suddenly become so?

Mr. BURLESON. Exactly so.

The CHAIRMAN. The time of the gentleman from Texas [Mr. BURLESON] has expired.

(Mr. BURLESON asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. CRUMPACKER].

The amendment was rejected.

Mr. BENDER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not pretend to be an expert on foreign affairs. I know we have a splendid Committee on Foreign Affairs in this House. I know the members on both sides personally, and I know they are doing an excellent job. However, I do want to make an observation about this legislation. It may be only a pious hope or just so many words, but it is well that we have this legislation before us, because if we in the Congress express our views as to not doing business with Communist Russia or China or with the satellite countries of Communist Russia, I think it is all to the good.

Pretty generally throughout the country our people are not aware of the fact that the United States of America is trading with Communist Russia, directly and indirectly, and with the satel-

lite countries. People are utterly amazed when they hear rumors of our Government using their money to implement our enemy. They ask, "What in the world is it all about?" They cannot quite understand it. The fact of the matter is we are doing business with Russia directly. Our Government, our industries, are doing business with Russia directly, and they are doing business with these satellite countries directly—not only indirectly but directly. Now it is perfectly amazing that our boys should be on the march, three and one-half million men in the armed services, young men being drafted and marching as to war, and yet our own Government is doing business with our potential enemies. We are not a bunch of morons here. We are the elected representatives of the people. I think it is well that we act on this legislation and I hope there is not a vote against this resolution.

We have a synthetic prosperity in this country, based entirely on the manufacture and sale of war materials. Our business is almost entirely conducted with borrowed money; and, as has been brought to the attention of this Congress on a number of occasions, this country owes more money than all of the other countries in the world combined.

Anyone who can figure out the incredible confusions of reasoning which currently pass for policy with respect to China belongs on the faculty of the Einstein Institute for International Relativity. Some of the very nations which are fighting alongside of Uncle Sam against the Chinese Reds in Korea are simultaneously engaged in sending merchandise of every description to the Chinese. In all the history of warfare, few situations to match this paradox can be found.

Apparently, the British regard this war as only a "little war." They are trying as hard as they can to play it down, so that they may go right on trading through Hong Kong just as if no British Tommies were being shot at in Korea. You can hardly become too indignant at the British, when you realize that until recently our own occupation authorities in Japan itself were permitting the Japanese to trade with the Chinese on the amazing theory that the Japanese economy requires such trade for survival. This is amazing because one of the avowed objectives of Mao Tse-tung's Chinese Red Government is the ultimate domination of Japan itself.

Is it any wonder, in the light of these constant contradictions, that the world itself is confused? It is not difficult to understand why some of our allies refuse to commit larger numbers of troops to the Korean War when the two chief allies, the United States and Great Britain seem to be having trouble in arriving at a common understanding of the stakes involved and the size of the war they are fighting.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. THORNBERRY, Chairman of the Com-

mittee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4550) to provide for the control by the United States and co-operating foreign nations of exports to any nation or combination of nations threatening the security of the United States, including the Union of Soviet Socialist Republics and all countries under its domination, and for other purposes, pursuant to House Resolution 363, he reported the same back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL PERMISSION TO REVISE AND EXTEND ON THE BILL H. R. 4550

Mr. BATTLE. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

TREASURY-POST OFFICE APPROPRIATION BILL, 1952

Mr. ROONEY. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report on the bill (H. R. 3282) making appropriations for the Treasury-Post Office Departments for the fiscal year 1952.

Mr. McCORMACK. Mr. Speaker, reserving the right to object, in order to get information for the House, is that a unanimous report?

Mr. ROONEY. I understand that the conferees have not finally reached an agreement, but they expect to.

Mr. McCORMACK. In case of an agreement, when would the gentleman want it to be called up? I want the information for the House.

Mr. ROONEY. It is impossible to answer that question until the conferees have reached final agreement.

Mr. McCORMACK. I can understand that. May I suggest to the gentleman that if an agreement is arrived at and in the event of any controversy he not ask me to program it before Wednesday?

Mr. ROONEY. I believe that that might be agreeable to the chairman of the full committee, the gentleman from Missouri [Mr. CANNON], and to the ranking minority member.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The conference report and statement is as follows:

CONFERENCE REPORT (H. REPT. No. 789)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3282) making appropriations for the Treasury and Post Office Departments and

funds available for the Export-Import Bank of Washington for the fiscal year ending June 30, 1952, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 4, 7, 9, 20, 24, 25, 27, 31 and 33.

That the House recede from its disagreement to the amendments of the Senate numbered 10, 15, 18, 29, 30, 32 and 36, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$2,446,000"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$1,925,000"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$11,500,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$50,000,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$20,600,000"; and the Senate agree to the same.

Amendment numbered 11: That House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$1,050,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$37,500,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$253,000,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$3,250,000"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$2,500,000"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$4,600,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$15,350,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment, amended to read as follows: "purchase of not to exceed ten passenger motor vehicles"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$1,850,000"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$20,300,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$1,850,000,000"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment, as follows: In line 6 of said amendment, after the word "whose" insert the following: "primary"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 13 and 34.

J. VAUGHAN GARY,
OTTO E. PASSMAN,
ALFRED D. SIEMINSKI,
CLARENCE CANNON,
BEN F. JAMES,
EARL WILSON,

Managers on the Part of the House.

HARLEY M. KILGORE,
BURNET R. MAYBANK,
JOHN L. MCCLELLAN,
KENNETH MCKELLAR,
OLIN D. JOHNSTON,
ZALES N. ECTON,
STYLES BRIDGES,
LEVERETT SALTONSTALL,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3282) making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank of Washington for the fiscal year ending June 30, 1952, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TREASURY DEPARTMENT

Amendment No. 1, relating to the Office of the Secretary: Appropriates \$2,446,000 for salaries and expenses instead of \$2,400,000 as proposed by the House and \$2,565,278 as proposed by the Senate.

Amendment No. 2, relating to the Office of the Secretary: Strikes out the Senate proposal to limit the amount for personal services, as proposed by the House.

Amendment No. 3, relating to the Bureau of Accounts: Appropriates \$1,925,000 for salaries and expenses instead of \$1,850,000 as

proposed by the House and \$2,050,000 as proposed by the Senate.

Amendment No. 4, relating to the Bureau of Accounts: Restores language as proposed by the House.

Amendment No. 5, relating to the Division of Disbursement: Appropriates \$11,500,000 for salaries and expenses instead of \$11,050,000 as proposed by the House and \$11,775,000 as proposed by the Senate.

Amendment No. 6, relating to the Bureau of the Public Debt: Appropriates \$50,000,000 for administering the public debt instead of \$49,000,000 as proposed by the House and \$51,993,704 as proposed by the Senate.

Amendment No. 7, relating to the Bureau of the Public Debt: Strikes out the Senate proposal to limit the amount for personal services, as proposed by the House.

Amendment No. 8, relating to the Office of the Treasurer: Appropriates \$20,600,000 for salaries and expenses instead of \$20,500,000 as proposed by the House and \$20,868,165 as proposed by the Senate.

Amendment No. 9, relating to the Office of the Treasurer: Strikes out the Senate proposal to limit the amount for personal services, as proposed by the House.

Amendment No. 10, relating to Contingent Expenses, Public Moneys: Appropriates \$500,000 as proposed by the Senate instead of \$475,000 as proposed by the House.

Amendment No. 11, relating to the Bureau of Customs: Limits to \$1,050,000 the amount that can be spent for personal services in the District of Columbia instead of \$1,000,000 as proposed by the House and \$1,036,930 as proposed by the Senate.

Amendment No. 12, relating to the Bureau of Customs: Appropriates \$37,500,000 for salaries and expenses instead of \$36,825,000 as proposed by the House and \$37,949,700 as proposed by the Senate.

Amendment No. 13, relating to the Bureau of Internal Revenue: Reported in disagreement.

Amendment No. 14, relating to the Bureau of Internal Revenue: Appropriates \$253,000,000 for salaries and expenses instead of \$252,000,000 as proposed by the House and \$255,000,000 as proposed by the Senate.

Amendment No. 15, relating to the Bureau of Narcotics: Appropriates \$2,100,000 as proposed by the Senate instead of \$2,025,000 as proposed by the House.

Amendment No. 16, relating to the Bureau of Engraving and Printing: Appropriates \$3,250,000 for working capital instead of \$3,000,000 as proposed by the House and \$3,500,000 as proposed by the Senate.

Amendment No. 17, relating to the Secret Service Division: Appropriates \$2,500,000 for salaries and expenses instead of \$2,475,000 as proposed by the House and \$2,550,000 as proposed by the Senate.

Amendment No. 18, relating to the Guard Force: Appropriates \$450,000 for salaries and expenses as proposed by the Senate instead of \$400,000 as proposed by the House.

Amendment No. 19, relating to the Bureau of the Mint: Appropriates \$4,600,000 for salaries and expenses instead of \$4,300,000 as proposed by the House and \$4,965,800 as proposed by the Senate.

Amendment No. 20, relating to the Bureau of the Mint: Strikes out the Senate proposal to limit the amount for personal services, as proposed by the House.

Amendment No. 21, relating to the Coast Guard: Appropriates \$15,350,000 for Acquisition, Construction, and Improvements instead of \$15,000,000 as proposed by the House and \$15,500,000 as proposed by the Senate.

Amendment No. 22, relating to Reserve Training of the Coast Guard: Provides for the purchase of ten passenger motor vehicles instead of eleven as proposed by the House and none as proposed by the Senate.

Amendment No. 23, relating to Reserve Training of the Coast Guard: Appropriates \$1,850,000 instead of \$2,000,000 as proposed

by the House and \$1,500,000 as proposed by the Senate.

Amendment No. 24, relating to general provisions: Strikes out the Senate proposal to reduce the amounts for personal services in certain bureaus and divisions of the Treasury Department, as proposed by the House.

Amendment No. 25: Retains section number, as proposed by the House.

POST OFFICE DEPARTMENT

Amendment No. 26, relating to General Administration: Appropriates \$20,300,000 instead of \$20,000,000 as proposed by the House and \$20,623,697 as proposed by the Senate.

Amendment No. 27, relating to General Administration: Strikes out the Senate proposal to limit the amount for personal services, as proposed by the House.

Amendment No. 28, relating to Postal Operations: Appropriates \$1,850,000,000 instead of \$1,845,000,000 as proposed by the House and \$1,852,100,000 as proposed by the Senate.

Amendments Nos. 29 and 30, relating to Transportation of Mails: Limits payments for current and prior fiscal years to settlements with foreign countries for handling of mail as proposed by the Senate.

Amendment No. 31, relating to Transportation of Mails: Appropriates \$465,000,000 as proposed by the House instead of \$450,000,000 as proposed by the Senate.

Amendment No. 32, relating to general provisions: Strikes out House language authorizing sale of maps as proposed by the Senate. This authority has been enacted into permanent law since the accompanying bill passed the House.

Amendment No. 33, relating to annual leave of postal employees: Strikes out the Senate proposal to change the annual leave of postal employees, as proposed by the House. This action is taken inasmuch as legislation on the subject is now pending in Congress.

Amendment No. 34, relating to general provisions of the bill: Reported in disagreement.

Amendment No. 35, relating to general provisions of the bill: Limits appropriations for salaries of civilian employees whose primary duties consist of acting as chauffeur, instead of the limitation proposed by the Senate which prohibited the use of appropriations to pay the compensation of any civilian employee whose duties would include those of acting as chauffeur.

Amendment No. 36, changes a section number as proposed by the Senate.

AMENDMENTS REPORTED IN DISAGREEMENT

The following amendments are reported in disagreement:

Amendment No. 13, relating to the Bureau of Internal Revenue: Controls use of seized vehicles. The managers on the part of the House will move to recede and concur with an amendment.

Amendment No. 34, relating to general provisions of the bill: Limits the use of appropriations for information purposes. The managers on the part of the House will move to recede and concur.

J. VAUGHAN GARY,
OTTO E. PASSMAN,
ALFRED D. SIEMINSKI,
CLARENCE CANNON,
BEN F. JAMES,
EARL WILSON,

Managers on the Part of the House.

WILLIAM N. OATIS

Mr. RICHARDS. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Concurrent Resolution 140, expressing indignation at the arrest and conviction of Associated Press Correspondent William N. Oatis by the Czechoslovak Government; and ask unanimous consent that it may be con-

sidered in the House as in the Committee of the Whole.

The Clerk read as follows:

Whereas the arrest and conviction of William N. Oatis, correspondent for the Associated Press in Prague, Czechoslovakia, is a shocking violation of fundamental human freedoms guaranteed in the United Nations Charter; and

Whereas the Oatis case demonstrates anew that the iron curtain maintained by the Soviet Union and its satellites is the world's greatest menace to peace: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring). That the Congress of the United States expresses its profound indignation at the farcical arrest, and conviction of William N. Oatis; and that the sense of this resolution be conveyed by the proper officials of our Government to the United Nations and to the officials of the Czechoslovakian Government.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. RODINO. Mr. Speaker, reserving the right to object, will the chairman of the Committee on Foreign Affairs advise me what disposition has been made of the John Hvasta case, which has been before the committee and which involves an American citizen who has been incarcerated for approximately 3 years by the Czechoslovak Government?

Mr. RICHARDS. Mr. Speaker, may I say this to the gentleman from New Jersey who introduced a resolution on the Hvasta case, and who has been working very hard on it, importuning the Foreign Affairs Committee to do something about it for some weeks. It was the desire of the Foreign Affairs Committee to consider the John Hvasta case with a good many other cases at the same time that the Oatis case was considered yesterday. However, in our discussions in committee, it became clear that the Hvasta case was from the standpoint of the Oatis case a far different situation. To act properly on the Hvasta case would require considerable testimony; there was at present no time at the disposal of the Foreign Affairs Committee to deal adequately with a case of that kind. We were—and still are—deeply engaged in the task of writing the so-called mutual-security bill, which we hope will come before the House shortly. We came to the conclusion we had better handle the Oatis case on its own merits and have only Oatis mentioned in this resolution because the facts surrounding the Oatis case applied only to that particular case. The committee went ahead with the Oatis resolution and expressed the intention at the time that as soon as we can get to the Hvasta case and three or four other similar cases after the bill now under consideration by the Foreign Affairs Committee is written, we will take up the Hvasta case at the first opportunity. I want to commend the gentleman for his efforts. Hvasta, as I understand it, is one of his constituents, but I do want to call the gentleman's attention to the fact that Hvasta is in a little different situation than Oatis due to dual citizenship.

Mr. RODINO. I am quite aware of that. I want to state that Mr. Hvasta is a resident of the congressional district of the gentleman from New Jersey [Mr. CASE] and if the gentleman from New Jersey [Mr. CASE] had been here he would have raised the same point.

Mr. RICHARDS. I thought he was from the gentleman's district.

Mr. RODINO. He is from New Jersey.

Mr. RICHARDS. I want to compliment a Member who works so hard for a man who does not live in his district.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. RODINO. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Is it not fair to say that while this resolution is confined to the Oatis case, while not expressly but by implication the same principle is involved in the case that the gentleman from New Jersey referred to, even the persecution that has taken place of all people not only in Czechoslovakia on religious, political, or other grounds, and that this really symbolizes the feeling of the Congress of the United States and the people of our country?

Mr. RICHARDS. There is no question about that. The majority leader has stated the case correctly. The thing I was concerned about is that here is a citizen who is not connected with the press or having any powerful friends, or anything like that, and that possibly some nation would get the idea that we would pay less attention to him, if his case was similar, than we would to an employee of a great organization.

Mr. VORYS. Mr. Speaker, will the gentleman yield?

Mr. RODINO. I yield to the gentleman from Ohio.

Mr. VORYS. Is it not true that in the third "whereas" clause the committee put in "Whereas the persecution by the Government of Czechoslovakia of other American citizens is condemned and deplored by the people of the United States and throughout the free world" it was felt that we ought to put in language in this resolution which would include cases like the Hvasta case, even though you did not mention him by name?

Mr. RICHARDS. The gentleman is correct. We could not include his name, but we came as near to it as we could in the consideration of the Oatis case.

Mr. RODINO. Mr. Speaker, I withdraw my reservation of objection and ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. RODINO. Mr. Speaker, notice by the State Department of its termination of special tariff concessions to Czechoslovakia though belated is at least commendable in principle. Although the effect of this decision will probably be trivial in the sense of economics, nonetheless, it does indicate that we do not countenance the high-handed treatment of our citizens by the Communist-dominated Czech Government. I would, personally, have preferred, and I have urged, sterner action be taken against

these rapists of fundamental human rights. I had hoped, too, that our Committee on Foreign Affairs, in protesting the action of the Czech Government in the case of William Oatis, would have adopted a stronger resolution. However, I shall not challenge the wisdom of the committee, but I wish to cite the case of John Hvasta, as a warning of what we might expect from the Czech Government if our action is not firm.

John Hvasta, a Czechoslovak by birth, is a naturalized American citizen. As soon as he was able and of age, he enlisted in the United States Navy and served from September 1945 to August 1946. His parents, naturalized American citizens, reside in New Jersey.

John Hvasta following the war went to Czechoslovakia to study under the GI Bill of Rights in 1948. He was arrested on October 16, 1948, and 7 months later was tried on trumped-up charges of espionage. His trial was held in secret. On June 1, 1948, John Hvasta was sentenced to 3-years imprisonment. American officials tried, many times, without success to obtain a copy of the accusation, transcript of the proceedings and a statement of the verdict and sentence. The Czechoslovak Government officials merely ignored these requests. Then, as though in complete disdain, an appeal trial was held, again in secret on April 26, 1950, and Hvasta's sentence instead of being reduced was increased to 10 years. No official word of this increase was transmitted to any American official until August 1950, after repeated requests had been made to ascertain Hvasta's status. Since February 23, 1950, no American official has been permitted to see John Hvasta, and word has reached the family of Hvasta that the Czech fiancée whom he married in the presence of an American vice consul, has been unheard from for over 2 months now.

According to a letter from Mrs. Hvasta's mother in Czechoslovakia, all she knows is that Mrs. John Hvasta had been taken to a hospital for treatment and when she went back the next day to visit her daughter no one had ever heard of her and the police do not seem to be interested. What will happen to John Hvasta? What has happened to his wife? This is the case of an American citizen who seeks our protection.

In a letter written some time ago to his mother, here in America, Hvasta says:

What is the matter with everyone in America? Why don't you people do something for me? Isn't there anybody over there who can help me? As God is my judge—I am not guilty of what I was charged with. Can't you go to Washington, mom, and tell them I am innocent—I am sure they will find some way to get me out of here.

It is now almost 3 years that Hvasta has spent in a Communist jail under trumped-up charges. How long are we to stand by while these Godless, unprincipled people visit abuse and indignities on our citizens? How long will we permit John Hvasta's plea to go unanswered?

Mr. Speaker, I am pleased to join in support of House Concurrent Resolution

proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. DORIS ELLEN YOUNG

The Clerk called the bill (H. R. 4127) for the relief of Mrs. Doris Ellen Young.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provision of the eighth category of section 3 of the Immigration Act of 1917, as amended, Mrs. Doris Ellen Young may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of the immigration laws.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELIZABETH JEAN CLARKE

The Clerk called the bill (S. 543) for the relief of Elizabeth Jean Clarke.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of sections 4 (a) and 9 of the Immigration Act of 1924, as amended, Elizabeth Jean Clarke shall be considered to be the natural-born alien child of Brigadier General and Mrs. Bruce C. Clarke, citizens of the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KIYOKO AND CHIYIKO ISHIGO

The Clerk called the bill (S. 581) for the relief of Kiyoko and Chiyiko Ishigo.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 13 (c) of the Immigration Act of 1924, as amended, Kiyoko and Chiyiko Ishigo, the minor children of Harue Louise Ishigo, a United States citizen, may be admitted to the United States for permanent residence if they are otherwise admissible under the provisions of the immigration laws.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SHIZU FUJII AND HER SON SUENORI FUJII

The Clerk called the bill (S. 585) for the relief of Shizu Fujii and her son, Suenori Fujii.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 13 (c) of the Immigration Act of 1924, as amended, Shizu Fujii and her son, Suenori Fujii, the mother and brother, respectively, of United States citizens, may be admitted to the United States for permanent residence if they are found to be otherwise admissible under the provisions of the immigration laws.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DORA JENNY WAGNER

The Clerk called the bill (H. R. 700) for the relief of Dora Jenny Wagner.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Dora Jenny Wagner, who arrived at the port of New York, N. Y., May 18, 1949, under a visitor's visa, shall, upon the payment of the required head tax, be considered, for the purposes of immigration and naturalization laws, to have been lawfully admitted to the United States. Upon the enactment of this act, the Secretary of State shall instruct the proper quota control officer to deduct one number from the German quota for the first year that such quota is available.

With the following amendment:

Strike out all after the enacting clause and insert "That, for the purposes of the immigration and naturalization laws, Dora Jenny Wagner shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee and head tax. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANZ GEYLING

The Clerk called the bill (H. R. 1413) for the relief of Franz Geyling.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Attorney General be, and he is hereby, authorized and directed to record the lawful admission for permanent residence of Franz Geyling as of April 7, 1947, the date on which he lawfully entered the United States, if he is found to be otherwise admissible under the provisions of the immigration laws. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the immigration quota for Austria of the first year that such quota is available.

With the following committee amendment:

Strike out all after the enacting clause and insert "That, for the purposes of the immigration and naturalization laws, Franz Geyling shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee and head tax. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DAVID LEE HARRIGAN

The Clerk called the bill (H. R. 1463) for the relief of David Lee Harrigan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding any provision of law excluding from admission to the United States persons of races ineligible to citizenship, the alien Seichi Sugiura, known also as Valerianus Sugiura and now known as David Lee Harrigan, a minor half Japanese child under the care of Mr. and Mrs. Thomas Y. Harrigan, both citizens of the United States residing temporarily in Japan, shall be held and considered to be the natural-born child of the said Mr. and Mrs. Thomas Y. Harrigan.

With the following committee amendment:

Strike out all after the enacting clause and insert "That, for the purposes of sections 4 (a) and 9 of the Immigration Act of 1924, as amended, the minor child, David Lee Harrigan, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Thomas Y. Harrigan, citizens of the United States. Notwithstanding the provisions of section 13 (c) of the said act, the said David Lee Harrigan may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of the immigration laws."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MATTHEW TERRY

The Clerk called the bill (H. R. 2165) for the relief of Matthew Terry.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration laws, section 13 (c) of the Immigration Act of 1924, as amended, shall not apply to Matthew Terry, minor half-Japanese child in the care of Sgt. Jack E. Terry (a member of the Armed Forces of the United States now serving in Korea) and Mrs. Carolyn E. Terry, citizens of the United States. For the purposes of sections 4 (a) and 9 of the Immigration Act of 1924, as amended, the said Matthew Terry shall be held and considered to be the natural-born alien child of the said Sgt. Jack E. Terry and Mrs. Carolyn E. Terry.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. That completes the call of the Private Calendar.

SIDNEY YOUNG HUGHES

Mr. GRAHAM submitted the following conference report and statement on the bill (H. R. 1103) for the relief of Sidney Young Hughes:

CONFERENCE REPORT (H. REPT. No. 805)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1103) for the relief of Sidney Young Hughes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows: That the Senate recede from its amendment.

FRANCIS E. WALTER,
MICHAEL A. FEIGHAN,
LOUIS E. GRAHAM,

Managers on the Part of the House.

PAT MCCARRAN,
JAMES O. EASTLAND,
WM. E. JENNER,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 1103) for the relief of Sidney Young Hughes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report.

The bill as passed by the House granted permanent residence in this country to the beneficiary, a native of Wales and a subject of Great Britain, the husband of a native-born United States citizen.

The Senate, while agreeing in principle to the granting of relief in this case, has waived the grounds for exclusion existing in this case, thus permitting the alien to leave the United States and effect a lawful admission upon the issuance of an immigration visa.

It is being held that such journey abroad, necessitated by the Senate amendment, would cause undue economic hardship to both this alien and his United States citizen wife, and therefore an adjustment of the beneficiary's immigration status within the United States is preferable. Since the bill, as passed by the House, provides for the usual quota deduction and for the payment of the head tax and visa fee, there will be no departure from the policy adhered to by the Committees on the Judiciary of both Houses in granting relief in similar cases.

The bill, as agreed to by the managers on the part of both Houses, reads as follows:

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the immigration and naturalization laws, Sidney Young Hughes shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee and head tax. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available."

FRANCIS E. WALTER,
MICHAEL A. FEIGHAN,
LOUIS E. GRAHAM,

Managers on the Part of the House.

CALL OF THE HOUSE

Mr. MILLER of Nebraska. Mr. Speaker, I made the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 147]

Abernethy	Burton	Eaton
Allen, Ill.	Busbey	Eberhart
Allen, La.	Cannon	Ellsworth
Armstrong	Carnahan	Elston
Bailey	Case	Engle
Baker	Celler	Fallon
Bakewell	Chatham	Fellows
Barden	Chelf	Fernandez
Baring	Cole, Kans.	Fine
Bates, Ky.	Colmer	Frazier
Battle	Cooley	Gathings
Beall	Curtis, Mo.	George
Betts	Dague	Gordon
Blatnik	Davis, Ga.	Gore
Boggs, Del.	Davis, Tenn.	Grant
Boggs, La.	Dawson	Gregory
Bonner	Delaney	Gwinn
Bosone	Dingell	Hagen
Bow	Dollinger	Hand
Breen	Donohue	Hébert
Brehm	Donovan	Hess
Buckley	Durham	Hillings

Hinshaw	Morris	Scudder
Hope	Morrison	Shelley
Horan	Moulder	Short
Irving	Murdock	Smith, Kans.
James	Murphy	Smith, Miss.
Jenison	Murray, Tenn.	Spence
Johnson	Murray, Wis.	Stanley
Jones, Ala.	O'Hara	Sutton
Jones,	Passman	Taber
Hamilton C.	Perkins	Taylor
Kearney	Poulson	Thomas
Kee	Powell	Vail
Kennedy	Price	Watts
Kersten, Wis.	Prouty	Welch
Klein	Quinn	Werdell
Kluczynski	Rabaut	Wheeler
Lesinski	Radwan	Whitaker
McDonough	Rankin	Whitten
McGrath	Rees, Kans.	Wickersham
McGregor	Riehlman	Wildnall
McKinnon	Sabath	Williams, Miss.
Mack, Ill.	Sadlak	Willis
Mack, Wash.	St. George	Winstead
Magee	Saylor	Wolcott
Miller, Calif.	Scott	Wood, Ga.
Miller, N. Y.	Hardie	Woodruff
Mitchell	Scott	Yates
Morgan	Hugh D., Jr.	Yorty

The SPEAKER. On this roll call 231 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, 1952

Mr. GARY. Mr. Speaker, I call up the conference report on the bill (H. R. 3282) making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank of Washington for the fiscal year ending June 30, 1952, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of August 2, 1951.)

Mr. GARY. Mr. Speaker, the Jensen amendment is not involved in this report. This was the first appropriation bill to come before the floor of the House, and for some reason, either because it was the first bill or because it contained the Post Office Department, where the sponsor of the amendment knew it would not operate, the Jensen amendment was not offered.

The bill as reported to the House by the Committee on Appropriations carried nearly \$3,000,000,000; to be exact, it was \$2,921,600,000. The House shaved \$2,700,000 off of the committee report, leaving in round figures \$2,919,000,000.

When the measure went over to the Senate they increased practically every item in the House bill. Then they adopted the so-called Ferguson amendment cutting personnel items 10 percent, with the result that even with the 10-percent cut prescribed by the Ferguson amendment the amount appropriated was larger than in the House bill. Then the Senate cut the appropriation for the transportation of mail \$15,000,000. That cut meant absolutely nothing whatever because neither the Post Office nor the Congress can control the amount to be

spent for the transportation of the mails. The rates paid for transporting the mail by rail are fixed by the Interstate Commerce Commission. The rates for transporting the mail by air are fixed by the Civil Aeronautics Board. The Post Office has to pay whatever those rates amount to when applied to the volume of mail transported. So it was purely a phony cut.

When we went into conference we saw no reason, very frankly, for agreeing to that cut. Although it appeared that we were cutting expenditures \$15,000,000, we knew it was phony, and we insisted on this money being restored to the bill. It was restored. Even with this amount restored, however, the present bill is only \$9,571,000 more than the amount fixed by the House, and you must remember that this is a \$3,000,000,000 bill.

The chief items which have been increased over the House figure consist, first, of the Bureau of Disbursements, which has shown a tremendous increase in workload because of the issuance of the additional social security checks which resulted from the enlargement of the social security law.

One million dollars has been added to the Bureau of the Public Debt, which has shown a very substantial increase in workload. We had cut it very substantially. That figure as fixed by the conference, even though it is \$1,000,000 more than the House figure, is exactly the same figure the Appropriations Committee recommended to the House in the first instance.

This report increases the Bureau of Internal Revenue over the House figures by \$1,000,000. The Senate had increased it \$3,000,000. We finally compromised on \$1,000,000, which is a very reasonable increase. That is designed to take care of the additional employees made necessary by the enlargement of the social security program.

Then there was an increase of \$300,000 for the Bureau of the Mint. The demand for coins for the first 6 months of this year has been unprecedented, particularly for pennies and nickels. The Mint is working 60 hours a week in an effort to keep up with the demand. The Mint needed some additional money.

Then we increased the postal operations \$5,000,000. Frankly, I do not think the House conferees felt that \$5,000,000 increase is needed, but this is the situation with reference to postal operations.

There are three items which are going to increase that amount. One of them is the increase in volume of mail which we are now experiencing. Of course, the larger the volume of mail the more we have to pay for handling it. Postal expenditures vary with increase in volume.

The second is an increase in leave. There is a bill pending in the House at the present time which would increase the leave of the postal employees to put them on the same basis as other Federal employees. Frankly, I think it is a just bill. At the present time postal employees have 15 days annual leave and other Federal employees have 26 days. The proposed bill would increase leave for postal employees and decrease leave

for other employees, thereby effecting an equalization.

The third is an increase in pay, which has already been recommended by House and Senate committees.

If those measures are adopted, and I think everyone in the House will agree they will be, instead of a \$5,000,000 increase in the item of "Postal operations" we will have an increase of closer to \$250,000,000. The Senate conferees were adamant on decreasing this item below the amount fixed by the Senate. Consequently, since we knew there was a probability that this item would be increased by \$250,000,000, before the end of the fiscal year, we saw no particular point in fighting over an increase of \$5,000,000 at this time.

That is a brief summary of the report you have before you.

Mr. ROONEY. Mr. Speaker, will the distinguished gentleman from Virginia yield?

Mr. GARY. I yield to my esteemed colleague the gentleman from New York.

Mr. ROONEY. I am in receipt of a personal telegram from Hon. Harry M. Durning, the collector of customs of the port of New York, and should like to make inquiry with regard to the action of the conference committee on the appropriation for the Bureau of Customs, and particularly insofar as that appropriation affects the customs service in the port of New York. Does the committee on conference propose that there shall be any reduction in personnel or any further continuance of unfilled positions or vacancies in the port of New York, the largest and greatest port in the world? Does the conference committee intend such?

Mr. GARY. Absolutely not. There has been an increase in the workload and in the volume of customs. We have had to take that into consideration. Last year the situation became so acute that the Bureau of Customs came before our subcommittee and asked for 202 additional employees which we allowed in a supplemental appropriation. In the regular bill we provided for those 202 employees and projected them over into this fiscal year. I want to be perfectly fair with the gentleman—they did ask for 109 additional employees over and above the 202. They were not allowed. But the customs last year received \$36,825,000; we allowed them this year \$37,500,000, which is an increase of \$675,000 over last year. That is the figure that our subcommittee recommended to the House in the original instance and which the House cut on the floor.

Mr. ROONEY. Mr. Speaker, will the distinguished and able gentleman yield further?

Mr. GARY. I yield.

Mr. ROONEY. I am advised that there are presently 134 vacancies at the port of New York, as follows: 30 inspectors, 63 port patrol officers, 13 laborers, and 28 in the clerical force, all of which must be filled immediately. I am pleased to have the assurance as a result of the remarks just made by the gentleman from Virginia that the Washington office of the Commissioner of Customs will not deplete to any extent the

present personnel, including vacancies, in the customs force at New York because the customs receipts at the port of New York for the fiscal year 1951 amounted to over \$329,000,000, an increase of over \$112,000,000 over the amount collected in fiscal year 1950, an increase of more than 50 percent, while the cost of collection amounted to only approximately 3 percent. I am indeed pleased that the action of the conference committee will not result in any reduction of this force in the port of New York which renders such a splendid service to the taxpayers and that the Acting Commissioner of Customs is instructed accordingly.

In view of the contraband situation alone it is absolutely essential so far as the customs service in the port of New York is concerned that inspector and port patrol vacancies be immediately filled as they are the first line of defense against narcotics surreptitiously entering the port. Further, I should like to point out, while the business with which the customs service in New York concerns itself is much greater than at any time in history, there are presently less personnel including the expected-to-be-filled vacancies, than there were in 1928-29.

(Mr. ROONEY asked and was given permission to revise and extend his remarks.)

Mr. GARY. Our committee is thoroughly cognizant of the situation as it exists in the various ports of the country. The increased volume in imports has been very substantial and we have taken that into consideration in fixing the customs appropriations for next year. We think we have been very generous with the bureau.

Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey [Mr. CANFIELD].

Mr. CANFIELD. Mr. Speaker, I am not very happy about some features of this report which comes before you without my signature and that of my colleague, the gentleman from Massachusetts [Mr. WIGGLESWORTH], who replaced the gentleman from New York [Mr. TABER] as a conferee.

First, let me say, I have noted the remarks just made by our subcommittee's distinguished chairman, the gentleman from Virginia [Mr. GARY], with reference to anticipated legislation affecting the Post Office Department and its operations. I do not understand it is the function of our committee to appropriate funds in this or any other bill on the basis of anticipated legislation. We are called upon only to implement through appropriated moneys that which is now law.

Frankly, I do not think we did well in yielding to the Senate in adding \$5,000,000 to the funds voted by this body for postal operations for the new fiscal year, more than 1 month of which has already expired. It will be recalled that when the distinguished gentleman from Virginia [Mr. GARY] presented his report to the House last March it contained a stinging indictment of the Post Office Department, charging it with inefficiency and dragging of feet in the in-

stallation of modern equipment. Shortly thereafter the Committee of the Whole adopted an amendment from the floor requiring an additional cut in this item of \$22,000,000. However, on the following day it was struck from the bill by a margin of two votes in a roll-call vote in the House. Later, in the Senate, a floor amendment calling for a \$36,000,000 cut in the item lost out by the narrow margin of two votes in a record vote. While I opposed and voted against the House amendment I do not think we should have upped the final House figure by the \$5,000,000 insisted upon by the Senate conferees.

We did another thing in this conference report to which I object most strenuously. It has to do with the funds for the Coast Guard Reserve. Two years ago, yes, before Korea—the other body pressed us to appropriate \$3,000,000 for this Reserve training. Last year the House agreed to go along to the extent of \$1,000,000 to start the program. The showing this year was impressive, particularly due to the obvious necessity of training reserves in port security work, and we allowed the full amount of \$2,000,000 requested by the Coast Guard. The Senate cut the amount down to \$1,500,000 and in the conference we compromised on a \$1,850,000 figure. I know how the guard feels about this cut, and I personally feel it is tampering with the security of our ports in this period of atom-bomb development.

We pinched pennies on the Coast Guard item while we yielded millions to the Post Office Department. I can understand the feelings of the gentleman from New York [Mr. ROONEY], who is concerned about the customs appropriation. I feel we would have done well in this instance to have yielded to the Senate on their higher figure. I am well aware of the terrific backlog of work now facing Customs and its added duties in this time of danger.

(Mr. CANFIELD asked and was given permission to revise and extend his remarks.)

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to. A motion to reconsider was laid on the table.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 13, page 5, line 18, after the word "vehicles", insert "and in addition to the number of passenger motor vehicles provided for herein, the Bureau may use not to exceed 20 passenger motor vehicles acquired through seizure as provided for by law."

Mr. GARY. Mr. Speaker, I move that the House recede from its disagreement to the amendment of the Senate numbered 13 and concur therein, with an amendment, which I have sent to the desk.

The Clerk read as follows:

Mr. GARY moves that the House recede from its disagreement to the amendment of the Senate numbered 13 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert "acquisition of the foregoing 300

passenger motor vehicles insofar as possible to be from automobiles seized in accordance with law, in lieu of purchase, and in addition, the Bureau of Internal Revenue may utilize not to exceed 20 passenger motor vehicles acquired through seizure as provided by law."

The SPEAKER. The question is on the motion.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 34, page 21, line 16, insert:

"Sec. 402. No part of the money appropriated by this act or of the funds made available for expenditure by the Export-Import Bank of Washington which is in excess of 75 percent of the amount required to pay the compensation of all persons the budget estimates for personal services heretofore submitted to the Congress for the fiscal year 1952 contemplated would be employed by the Treasury and Post Office Departments and the Export-Import Bank of Washington during such fiscal year in the performance of—

"(1) functions performed by a person designated as an information specialist, information and editorial specialist, publications and information coordinator, press relations officer or counsel, photographer, radio expert, television expert, motion-picture expert, or publicity expert, or designated by any similar title, or

"(2) functions performed by persons who assist persons performing the functions described in (1) in drafting, preparing, editing, typing, duplicating, or disseminating public information publications or releases, radio or television scripts, magazine articles, photographs, motion pictures, and similar material,

shall be available to pay the compensation of persons performing the functions described in (1) or (2)."

Mr. GARY. Mr. Speaker, I move that the House recede from its disagreement to the amendment of the Senate numbered 34, and concur therein.

The SPEAKER. The question is on the motion by the gentleman from Virginia.

The motion was agreed to.

By unanimous consent, a motion to reconsider the various votes by which the motions were agreed to was laid on the table.

DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1952

Mr. MAHON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5054) making appropriations for the National Security Council, the National Security Resources Board, and for military functions administered by the Department of Defense for the fiscal year ending June 30, 1952, and for other purposes; and pending that motion, I would like to reach some understanding with respect to time for general debate. The ranking minority member of the committee, the gentleman from New York [Mr. TABER], is absent due to illness, but I ask the gentleman from Massachusetts [Mr. WIGGLESWORTH], if it would be agreeable to proceed with general debate throughout the afternoon, the bill to be read for amendment tomorrow.

Mr. WIGGLESWORTH. I understand the gentleman has no disposition to limit debate this afternoon.

Mr. MAHON. This is the largest appropriation bill of the year, and I think we should have unlimited debate; certainly, there will be no disposition on my part to limit the debate.

The SPEAKER. Is there objection to the request of the gentleman from Texas, which means, as the Chair interprets it, that general debate shall continue throughout the afternoon, to be concluded today, the bill to be read for amendment tomorrow?

Is there objection?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5054, the Department of Defense appropriation bill, 1952, with Mr. KEOGH in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the consent agreement, general debate is to continue throughout the balance of the day. The time will be equally divided between the gentleman from Texas [Mr. MAHON] and the gentleman from Massachusetts [Mr. WIGGLESWORTH].

The gentleman from Texas is recognized.

Mr. MAHON. Mr. Chairman, I yield myself 1 hour.

Mr. Chairman, we come today to the consideration of the largest appropriation bill for the year, a bill which proposes an appropriation in the sum of \$56,000,000,000 for the Army, Navy, and Air Force, and the Office of the Secretary of Defense for the current fiscal year. The members of our subcommittee have had rare opportunity to be on the floor of the House of Representatives in recent weeks, because almost constantly throughout the year we have been in hearings. The hearings on this bill lasted for 11 weeks. We had before us about 500 witnesses and the printed testimony—and about two-thirds of the testimony is printed—as you will observe, covers about three thousand five hundred pages, about three million words, if we want to get down to details. So it has been a very burdensome responsibility. Yet the job has been an interesting one. While there are others perhaps in the country who play rather fast and loose with the Nation's secrets, the members of this subcommittee pride themselves not upon getting their names in the paper with respect to military secrets but upon keeping their names out of the papers in matters involving the security of the United States. I do not know of seven men in the Government or in the world for that matter who have presented to them each year such a vast amount of information of a secret nature with respect to every facet of our military program as do the members of this subcommittee. I wish in this regard to pay tribute to the members of this subcommittee who toiled through long days on these hearings. The press was not

present. It is a difficult duty and there are no headlines for those who do the spadework on these appropriations. We ask no glory, we desire none. We only hope and pray that we may do a good, workmanlike job. I wish to pay public tribute to the gentleman from California [Mr. SHEPPARD], to the gentleman from Florida [Mr. SIKES], to the gentleman from South Carolina [Mr. RILEY], to the gentleman from New York [Mr. TABER], to the gentleman from Massachusetts [Mr. WIGGLESWORTH] and to the gentleman from Kansas [Mr. SCRIVNER] for their untiring efforts and for the complete assurance which the country can have that all secrets which those gentlemen have, and there are many, will be guarded with great care.

During the occasions when I have had brief opportunity to be on the floor of the House of Representatives this year, I have been accosted by my friends and colleagues who would ask: "How are you coming along with the bill? For heaven's sake, can you not do something with those wanton wasters of manpower and money in the Pentagon? Is it not outrageous the way they are throwing away the resources and the substance of the country?"

Of course, they will say, too: "We are most anxious not to retard the defense effort, but we do want some economy in the Military Establishment."

It is my considered opinion that the average Member of the House of Representatives has just about lost faith in the Military Establishment; that is, from the standpoint of economy and efficiency, not from the standpoint of character and integrity. I say without equivocation that there are many people in the military service who are men of great ability, giving their lives and their energies in a very noble and splendid way to the military program and this country can well be proud of those men and of their efforts. Nevertheless, there is a widespread feeling in the Congress and in the country that generally speaking our military people are wanton wasters, bad planners and poor administrators in many fields.

Why should it be that there is so much distrust of the managerial capacity of our military officials? In the first place, there is a lot of truth in the accusation that there is waste, extravagance, and mismanagement—that there is need for more efficiency. There is no doubt about there being much truth in that conclusion. While I am willing to defend the Pentagon, when the Pentagon is right, I would not for one moment be willing to assume the role of yes man for anybody in any branch of the Government. We have a responsibility here to perform and we give credit where credit is due; we condemn where condemnation is due, and we do not condone waste and extravagance and bad management, but, rather, we seek to find it and initiate corrective measures.

Our efficient executive clerk, Mr. Robert Lambert, who works unceasingly year in and year out with the committee, has prepared a report. It has my name on it. I phrased some of the sentences and I worked on it, but the major

Little did the junior Senator from New Jersey think, in those days when he was campaigning in his own county in New Jersey for election to the New Jersey State Senate—in those now historic days when "Court packing" was a great issue before the country—that he would one day have the great privilege and honor to be a member of the Judiciary Committee of the United States Senate under the able leadership of Senator McCARRAN.

Senator McCARRAN's battle against the world Communist conspiracy is not new. It goes back a long way before he attained chairmanship of the Judiciary Committee, and he has never confined it strictly to his own views. Never has he stopped his fight to write into every bill which affects national security provisions which will safeguard the welfare of the United States; and his has always been a winning fight.

Let us look back at the long, hard fight on displaced persons legislation. In fighting to have adequate security provisions written into the displaced persons law, Senator McCARRAN stood up against one of the most powerful lobbies which ever operated in this country. He was subjected to constant and bitter personal attack, and almost every form of vilification. His objectives and his motives were both deliberately misinterpreted. The pressure was terrific; but he stood his ground, and in the end he won his fight. The new displaced persons law, as enacted, was fair to the refugees, not discriminatory in any respect, and fully recognized this country's obligation to do its fair share for the unfortunate people who were torn from their homes by war circumstances over which they had no control; but, by virtue of the McCarran courage and persistence, the law contains provisions which are protecting this Nation today against the infiltration of Communists and other subversives under the guise of displaced persons.

Senator McCARRAN is the author of many important pieces of legislation, including the Civil Aeronautics Act of 1938, the McCarran Act fixing the status of insurance as a business subject to State regulation, the Federal Airport Act, the Administrative Procedure Act, and the Internal Security Act of 1950.

Mr. President, it has been a privilege and a great inspiration for me to serve on the Judiciary Committee under the generalship of a man, a great American, who has never once since I was honored with membership on this time-honored committee, displayed to me, a single interest which was not for the betterment and welfare of his country.

On this, the seventy-fifth anniversary of Senator McCARRAN's birth, I join with his colleagues and his host of friends throughout the Nation as they wish him Godspeed through his many remaining years of service to his country.

May each of those years be marked with the right to ever increasing tribute for his long, able, and distinguished service.

Mr. O'MAHONEY. Mr. President, I came upon the floor a moment ago from a session of the Armed Services Subcommittee of the Committee on Appro-

priations. I was utterly unaware, as I entered the Chamber, that we were to mark or were marking the anniversary of the birth of our distinguished colleague, Senator McCARRAN. I think he has very successfully concealed both his birthday and his years. No one looking at him would imagine that he has attained the ripe age which it has just been said he has reached.

Mr. President, I have had the privilege of serving with Senator McCARRAN ever since I entered the Senate, on January 1, 1934. I shall never forget my service with him, upon the Committee on the Judiciary, during the very, very strenuous and exacting days when that committee had under consideration the bill to expand the Supreme Court. No member of that committee was more effective, more studious, more energetic, or more loyal than was the Senator from Nevada in the action which the Judiciary Committee took upon that measure, which resulted finally in its defeat upon the floor of the Senate. It was an action participated in by the Senator from Nevada which, I am sure, will never be forgotten in the history of this Government.

It was a matter of great regret to me, personally, when, after the Legislative Reorganization Act was passed, changing the number of committees upon which a Senator could serve, it became necessary for me, as I saw my own personal duty, to retire from the Judiciary Committee. I regretted very much having to sever connections with that committee and with the distinguished Senator from Nevada, who is now its chairman. I am frank to say, however, that in recent days, as I have heard the call of the calendar and have noted the huge number of claims bills which are now referred to that committee, I have felt very regretful of the burden which the Senator from Nevada has to carry. But it is necessary only to look at him to know that he carries that burden well.

May I, in this altogether unintended and extemporaneous comment upon the distinguished service of my friend from Nevada, say that the West has never had a greater friend than the senior Senator from Nevada [Mr. McCARRAN]? Perhaps I may be permitted to say that, when I first heard of Senator McCARRAN, it was during the famous campaign of 1932. I was at that time an assistant to Mr. James A. Farley in the headquarters of the Democratic National Committee in New York City, conducting a presidential campaign. I was at that time the Democratic national committeeman from Wyoming. A gentleman by the name of Cornelius Vanderbilt had been making a survey of the entire United States, going from State to State, reporting to Mr. Farley upon the character of the campaign work which was being done throughout the United States. I shall always remember that, on the day when his report came in to me, the most eloquent spokesman on behalf of the Democratic ticket that year he found to be the Honorable PAT McCARRAN, of Nevada. I took a great deal of pride in that, because of the

character of the name; and I am very happy to say that the Senator from Nevada has, in all my personal acquaintance with him, demonstrated that the comment was not at all out of order.

A man who has the courage of his convictions, Senator McCARRAN deserves the tributes of his colleagues upon the floor, and I am happy to have been able to participate on this occasion.

Mrs. SMITH of Maine. Mr. President, I ask unanimous consent that I may proceed for one moment.

The PRESIDING OFFICER. Without objection, the Senator from Maine is recognized for 1 minute.

Mrs. SMITH of Maine. Mr. President, I am pleased to join in the tributes to Senator McCARRAN. It was a matter of great gratification and pride, recently, to have Senator McCARRAN, when appearing before the Senate Committee on Rules and Administration to request funds for his committee, ask the Republican minority leader to place me on Senator McCARRAN's committee. His request was a testimonial to my opposition to Communism and to his faith and confidence in me; and I reciprocate his faith and confidence.

Mr. McKELLAR and Mr. TAFT addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. McKELLAR. Mr. President, as one of the younger (?) Members of the Senate, I desire to say a word concerning the distinguished Senator from Nevada [Mr. McCARRAN]. He has been a member of the Senate Appropriations Committee for a long, long time. There never was a more conscientious, right-thinking, upstanding, courageous, active member of that or of any other committee than has been PAT McCARRAN. For a long time he has been, and, I believe, still is, the head of the "watchdog committee" which has done so much good.

Through years of intimate association with him, I have found him to be earnestly a man who believes in the Constitution of the United States. He is a conscientious believer in Christianity. He believes in the things for which America stands. When he took the oath of office he held his hand toward Almighty God and said he would respect and forever defend the Constitution of the United States against all enemies, foreign and domestic. He meant every word of it, and his every statement and his every act in life have shown how thoroughly he meant it. He is a great statesman, a great man, and a great friend, and it gives me the greatest pleasure to say a word concerning him on this occasion.

Mr. MCCARTHY. Mr. President, I should like to join my colleagues in paying tribute to one of the greatest Americans I have ever met—PAT McCARRAN.

Mr. DIRKSEN. Mr. President, I ask unanimous consent for recognition for 1 minute.

The PRESIDING OFFICER. Without objection, the Senator may proceed for 1 minute.

Mr. DIRKSEN. Mr. President, I learn on inquiry that the junior Senator from Nevada [Mr. MALONE] is not present, but

I am confident that if he were present today he would certainly warmly share in all the gracious, fine, and richly deserved things that have been said concerning the senior Senator from Nevada. I have heard him so express himself on many occasions. I know the high regard and warm respect he entertains for his colleague from Nevada. So I felt that the RECORD should not be closed without having the statement placed on the RECORD.

As for myself, Mr. President, I desire to pay tribute not only to a colleague but to a man I esteemed as a friend before I ever became a Member of this body. I recall my first acquaintance with him. I always felt humble and like a pupil sitting at the feet of the master. Over the years my regard for him has ripened into a rich and enduring affection.

If I could find in the English language a single phrase so expressive that it characterizes what is in my heart with reference to PAT McCARRAN, I think it would be the very simple phrase, "He is a good man." I recall reading in the Scripture that when the Great Teacher was taken away, a certain man claimed the body. The only description of him which we find in the Scriptures is that he was a good man. I can think of nothing that better expresses the affection and esteem that PAT McCARRAN's friends and associates have for him than to say that he is a good man, not only for this body, not only for his friends, but for the people of the United States of America. They will ever be in his debt.

Mr. McCARRAN. Mr. President, I ask unanimous consent to speak for 2 minutes.

The PRESIDING OFFICER. Without objection, the Senator may proceed for 2 minutes.

Mr. McCARRAN. Mr. President, I have been wondering what I could say in answer to or in recognition of the expressions which have been made today by my colleagues on the floor. All I can say is that if I have been worthy of those expressions, then, indeed, my life up to this time has been well spent.

Mr. President, I never meet a situation such as this but what I think of the hours through which my country is passing. I hope I may have the privilege of serving for years to come with those who serve with me in this body, because I think that my country is at the cross roads of its existence, and I believe the greatest service which an individual can render to his country at this time is to stand independently for the protection of the institutions which we so much admire and on which the world today so much depends.

Mr. President, I hope that the breath of life may be spared to me so that I may live to see my country again free from its internal and external enemies. Especially do I hope that we may see the United States freed from its internal enemies who are today boring from within to destroy man's last hope of individual human liberty.

I am not afraid of the external enemies, because I know the courage of my countrymen and I know the courage of

our boys who will carry our banners abroad. But I am ever apprehensive of those who, in one guise or another, may gain such a position in this country as to weaken it and jeopardize the great place it so rightfully occupies in the history of the world.

I am grateful to those who have given me encouragement by their kindly words today. I am happy if I may have earned their expressions.

OCO THOMPSON

Mr. McCARRAN. Mr. President, last Tuesday a quiet, unassuming man retired from active service as disbursing officer of the United States Senate. All the Senators know Oco Thompson. I am not sure that all of them know that he was such a good disbursing officer because he learned his work the hard way, and because, during part of his career, he was an assistant clerk of the Committee on the Judiciary of the United States Senate. I will admit that he learned a lot when he served from 1918 to 1920 as a clerk in the Finance Division of the War Department, and no doubt his experience on the Senate Committee on Finance and on the Committee on Contingent Expenses contributed largely to his ability.

However, I am certain that when he started his career in the Senate Disbursing Office in 1924 it was the expert training he received from the Committee on the Judiciary of the United States Senate that made him the fine disbursing officer he was.

It may be of interest that Oco Thompson was the fifth financial clerk in the history of the Senate. I note that the third was Robert B. Nixon. I am wondering if the illustrious Senator from California is related to this Nixon.

However, in the hearts and minds of those presently in the United States Senate, I am sure that Oco Thompson won a place of respect and honor during his long years of service.

I know all Senators join me in wishing him many years of health and contentment. We shall miss him and we are glad his brother will carry on, as we know he is well trained and highly able to continue the high standards set by the quiet man who left without any fanfare on Tuesday last—Oco Thompson.

TREASURY-POST OFFICE APPROPRIATIONS, 1952—CONFERENCE REPORT

Mr. KILGORE. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3282) making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank of Washington for the fiscal year ending June 30, 1952, and for other purposes. I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER (Mr. GEORGE in the chair). The report will be read for the information of the Senate. The report was read.

(For conference report, see House proceedings of August 2, 1951, pp. 9602-9603.)

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

Mr. CASE. Mr. President, reserving the right to object, I do not see the senior Senator from Michigan [Mr. FERGUSON] on the floor. My understanding is that he would like to be present at the time the report comes before the Senate. Would there be any objection to withholding the consideration of the report temporarily until we can get the Senator from Michigan here?

Mr. KILGORE. Mr. President, I have talked to the administrative assistant to the Senator from Michigan, and he said he thought if we could hold up consideration of the report for a little while the Senator from Michigan would be here. Consideration of the report has been held up for quite a while.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

Mr. CASE. Mr. President, reserving the right to object, I am now advised that the senior Senator from Michigan [Mr. FERGUSON] had an understanding with the Senator from West Virginia [Mr. KILGORE] that the Senator from West Virginia would make a statement with respect to certain provisions regarding personal-service limitations in the bill as not being a precedent in connection with other bills, and if that statement is to be made and that understanding is had there is no objection at this time.

Mr. KILGORE. The Senator is absolutely correct; and at the appropriate time I intend to make such a statement.

Mr. CASE. Mr. President, I withdraw the reservation.

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. KILGORE. Mr. President, I move the adoption of the report.

At this time I wish to state that the main objection of the Senator from Michigan was to the fact that the conferees struck from the bill the so-called 10-percent personnel cut and in lieu thereof substituted specific cuts. The Senator from Michigan did not want that to be taken as a precedent. I may say for the benefit of the Senator from Michigan and for the benefit of the RECORD that the conferees discussed that matter at great length in the conference. We agreed that action on any one appropriation bill did not constitute a precedent as to action on others. For that reason I am free to say that that action on the part of the conferees was not intended to establish a precedent or lay down any pattern whatsoever. It was done simply in the interest of good operations in the particular departments involved in this bill, and the agencies connected with them.

Mr. President, I may say further that the amounts contained in the bill itself are below what the 10-percent cut would have brought them to. If we adopt the report, there is one amendment of the

House which, at the appropriate time, I shall move that the Senate agree to. The conference report was adopted yesterday by the House.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. CASE. Mr. President, will the Senator yield to me?

Mr. KILGORE. For what purpose?

Mr. CASE. For the purpose of making a brief statement on behalf of the Senator from Michigan.

Mr. KILGORE. I yield.

Mr. CASE. Mr. President, in behalf of the senior Senator from Michigan, who sponsored several of the amendments which are subjects under consideration in this report, I should like the RECORD to show that the senior Senator from Michigan feels that the Treasury-Post Office bill offers a little different situation than other bills, and it was for that reason that he has consented or agreed to the waiving of the limitation on personal services which was adopted by the Senate in this and previous appropriation bills. But in doing so he wished it to be distinctly understood that this is not to be considered as a precedent in future conferences nor as constituting a change in the attitude of the minority with respect to limitations on personal service funds. It is felt that the savings which have been referred to by the Senator from West Virginia are substantial, and that they do constitute a step in the direction of economy for which the members have been striving.

Mr. DIRKSEN. Mr. President, will the Senator from West Virginia yield to me for about 2 minutes?

Mr. KILGORE. Mr. President, may I ask what the Senator's purpose is?

The PRESIDING OFFICER. The Senator from Illinois has a right to be heard in his own right.

Mr. DIRKSEN. Then I ask, Mr. President, to be recognized in my own right.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DIRKSEN. Mr. President, I do not oppose the conference report. I simply suggest to the Senate that in the Treasury-Post Office appropriation bill, of course, is contained the huge item for debt service, namely, the interest on the debt, which is gradually travelling in the direction of six thousand million dollars a year. It is a little difficult, I think, for our constituents to understand when we point out that each year we pay pretty close to \$6,000,000,000 for the privilege the Federal Government enjoys to borrow money from fiduciaries, insurance companies, banks, and individuals, giving them in return pieces of paper called bonds, and then, of course, having to liquidate the privilege money in the form of interest.

I propose today to introduce a bill for the establishment of a commission patterned somewhat on the Hoover Commission for an exploration of the national debt. I think it is one of the great problems of our time that have not been sufficiently explored, and I believe it merits serious consideration. It was only 40 years ago, Mr. President, that our debt was a little over a billion dol-

lars, and today it is \$255,000,000,000. We can understand its magnitude in comparative terms when we say that amount is twice what all individuals and businesses and corporations in the United States owe today. So its impact upon the economy, its effect upon the future welfare of the country, upon the free destiny of a free system, Mr. President, is of high and transcendent importance.

In my opinion, there is a whole field of contingent commitments, implications, and guarantees along with the public debt that earnestly deserve the consideration of a body of experts. It is one of those peculiar things that necessarily lie in the field of expert and technical knowledge. I certainly do not profess to be one of the experts.

I remember that some time ago one of my colleagues in the House who was forever discoursing on the subject of money rose one day to make a long speech on the subject. He prefaced his remarks by saying that he understood that there were about 13 persons in the United States who understood the vagarious subject of money and finance, but that he was not one of them. Therefore he undertook to discuss it.

I do not undertake to discuss that subject, except to allude to the existence of the problem and the necessity for assembling a body of expert talent to deal with it. The subject certainly has been underestimated in its impact upon the well-being and welfare of the country. So I use this occasion as a preface for what I propose to do later, in introducing a bill calling for the creation of a commission.

Mr. MAGNUSON. Mr. President, will the Senator yield for a question?

Mr. DIRKSEN. I yield.

Mr. MAGNUSON. I believe that what the Senator is proposing is quite timely, because we do have an appropriation bill before us. His suggestion is not only well worth while, but it should have been carried out long ago. However, I hope that the Senator, in making suggestions for the activities of such a commission, may bring up a question which has always puzzled me.

When we talk about our huge debt, the question of governmental bookkeeping arises. We say that what comes in, subtracted from what goes out, makes the debt. We never list the capital assets of the Government. I am one who has always believed—and I strongly suspect that any such expert study would bear this out—that although we probably owe more than \$200,000,000,000, if someone were to sit down and conservatively estimate the capital assets of the United States Government, if we kept books as corporations keep books, we might well be in the black.

Mr. DIRKSEN. I suggest to my friend from Washington that there are contingent liabilities and responsibilities under social-security, public-works projects, and many other things, which are difficult to evaluate on a dollar basis. But they are there, and they are going to continue for a long time. I think all of that should come within the purview of a study of this kind.

Mr. MAGNUSON. I think it would be a good thing.

Mr. DIRKSEN. Mr. President, I ask unanimous consent to introduce a bill at this time, and I yield the floor.

There being no objection the bill (S. 1971) to establish a Commission on the Public Debt of the United States, introduced by Mr. DIRKSEN, was received, read twice by its title, and referred to the Committee on Finance.

Mr. MILLIKIN. Mr. President, I should like to speak on a subject which departs somewhat from the matter immediately before the Senate.

Mr. McFARLAND. Mr. President, would the Senator mind having the conference report adopted first?

The PRESIDING OFFICER. The question is on agreeing to the conference report. The Senator from Colorado is recognized. There is no rule of germaneness in debate in the Senate.

Mr. MILLIKIN. I understand that it is desired that I withhold my remarks until there has been action on the conference report. I am willing to do so. I assume that I shall be recognized afterward.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER (Mr. GEORGE in the chair) laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 3282, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
August 8, 1951.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 34 to the bill (H. R. 3282) making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank of Washington for the fiscal year ending June 30, 1952, and for other purposes, and concur therein.

That the House recede from its disagreement to the amendment of the Senate numbered 13, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert “, acquisition of the foregoing 300 passenger motor vehicles insofar as possible to be from automobiles seized in accordance with law, in lieu of purchase, and in addition, the Bureau of Internal Revenue may utilize not to exceed 20 passenger motor vehicles acquired through seizure as provided by law.”

Mr. KILGORE. Mr. President, I move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 13.

Let me say in explanation to Members of the Senate that the form of the bill in both Houses provided for the number of vehicles. The House amendment merely requires that, so far as possible, the acquisition shall be from vehicles seized in accordance with law, rather than by the purchase of other vehicles. The provision is that only the minimum number be purchased new.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia [Mr. KILGORE].

The motion was agreed to.

A LETTER FROM A SOLDIER IN KOREA

Mr. MILLIKIN. Mr. President, I shall take a few minutes to read into the

RECORD a copy of a letter received by a Denver mother last March or April from her son in Korea. The letter reads as follows:

KOREA, March 10, 1951.

DEAR MOM: I was cold, wet, miserable, tired, hungry, and discouraged a few minutes ago, when I saw some sturdy soul come trudging up the mountainside with mail. Now, I am only cold, wet, tired, and hungry. Your letter gave me a great lift in the midst of all this chaos and confusion. I now am well down in a foxhole on the top of the highest—I swear—mountain in all Korea, except for the one we were over yesterday, and the day before and the day before that.

We gallant cavaliers of the First Cavalry Division are trying to break the backs of the Chinese right now and, upon the reflection of the last week, I do not see how the bodies and minds of men keep going so long without losing their elements of control and composure.

I do not kick too much for myself, because all I must carry is weapon, ammunition, and rations—but these men of my platoon who must stagger up the slopes with 40 pounds of machine gun ammunition—and the machine gun—and the rockets—only to be shouted at, shot at, and cajoled into running the last 50 yards through machine gun bullets, grenades, mortar fire—are men of the highest discipline.

And discipline for what? To be carried off the hill by four other men, and suffer smashed heads and broken bodies, thinking they are the unluckiest men in all the world until they see the dribble of others into the aid station with their heads smashed in a little deeper, and their bodies broken a little more? I do not know. It is hard to see the forest for the trees here.

And it is a question deeper than all questions when I look over that hill and watch the placid face of the Chinaman with the flap-eared can on his head and the quilted coat, and wonder what he is thinking, and—what is more important—why he is thinking it. In an hour or so I will be there where he is and he will be dead with a hole in his head much larger than you would expect from my little .30-caliber rifle.

That he will be dead I am very sure, because I have confidence in my men and in myself. Then I will sit down and, looking at his open glazed eyes (seeing much farther than mine I am very sure), and at his grimy hand clutching a grenade meant ultimately for me, I will call back to my company commander, and I will say, "We have taken the hill with only four casualties, and I count 15 dead Chinks."

And the most important part of the war (for me today at least) will be a number on a map and 15 less human beings on the earth.

As I have been writing here, six men (two from my own platoon) have passed my foxhole, hit by mortar shrapnel. They are on their way down to the aid station—and rest—some for weeks and some for months.

Mortars—those are the fearsome things. They can get you anywhere—forward slope, rearward slope, in a deep hole or out. Since yesterday noon our company has lost 17 men from them. Off on the left there is a big fire fight going on now—deep-throated machine guns, rifles, and the crump of mortar—all going on at once. It will soon quiet down.

I wonder sometimes how much luck there is to the game, or is it luck? Back on the big hill we got pinned down close to a strong position and they grenaded us. I was lying in the open when they yelled "Grenade." I rolled over and felt something against my leg. Looked down just in time to see the handle of a potato-masher grenade against me. Blam. The handle of the thing gave

me a real charleyhorse and a bum eye for a while. But not a puncture in me anywhere. The next man to me was killed by it. What is the answer?

Yesterday we were close in an area when I heard four deep "plops" go off over the hill. I knew they were 120-millimeter mortar—the biggest mortar they have and deadly up to 100 yards when they hit. We hugged the ground. The first one went well over us and went off with a tremendous blam behind us. I'll be—if all three of them didn't drop right in the middle of the platoon and they were duds. I looked up; 2 feet from me one of them was lying buried in the ground. (When they go off they dig a hole 6 feet across and take off a man's legs 20 feet away.) Luck? Prayer? I won't even hazard a guess. Something is making it possible to live.

And yet I would rather be here than anywhere in Korea now. It is life in its rawest form. It reduces sham to nothingness and here men are themselves. It cuts away all of the frou-frou of hypercivilization.

The real values of life are returned to us; the simple act of making a cup of coffee is a worth-while accomplishment.

As a leader of 40 men, I have the good feeling of responsibility, and, aside from the close-in fighting, it is for me to provide many of their needs, minister to their hopes and fears, raise their morale, deal with their misbehavior, listen to their feelings as they express them, and try to direct their lives so that they will function with a will and a purpose.

There is no democracy on a hilltop, but, as a platoon leader, there is no other troop leading quite as intimate or as thorough, and it is a responsibility. There is no officer below to pass the buck to. What more could one ask in the way of service to those of lesser rank? The only guides I must religiously keep are: Decide with confidence; lead without fear; listen with compassion; and remain humble.

It is a far greater, more rewarding life on this hill than all the successes of what we call civilization. Mahatma Gandhi said once, and very accurately, about this business of leading, "There go my people; I must hurry and catch them for I am their leader."

And so it goes. Korea is tough, but what worth-while reward is gained without some price? Perhaps now you can see why I chose West Point. If not, someday I will explain.

Since I have discovered an important truth, I suffer much less—that is, that fear is only the emotion of ignorance. If I keep informed, fill the gaps of knowledge with educated guesses, fear disappears and I can do my job as coolly as though I were in Denver.

And that's all from Korea today.

Love,

DAVE.

The gentleman who wrote that letter is First Lt. David R. Hughes. He is a graduate of West Point, class of 1950, and has been decorated for valor.

THE KANSAS-MISSOURI FLOOD

Mr. KEM. Mr. President, I have spoken several times in the Senate about the havoc wrought by the angry waters of the Missouri and Kansas Rivers as they have overflowed their banks. The flood was at its worst where the Kansas joins the Missouri River at Kansas City. Kansas City has been my home and the home of my family for many years, and so I should like to speak briefly today of the indomitable courage with which the people of Kansas City have fought back. They have looked disaster in the face and said: You shall not have your way.

The toll from the Kansas-Missouri flood of mid-July has now been reckoned at nearly a billion dollars, not counting a \$2,000,000,000 value the Agriculture Department places on top soil washed from farm land. In Kansas City, Mo., four vital industrial areas were inundated over an area totaling 11 square miles. At least a score of lives were lost. Thousands were made homeless. Factories, utilities, rail yards were destroyed or damaged by flood, and seven square blocks of Kansas City were wasted by fire.

On Monday, July 16, 3 days after the worst flood disaster in United States history had struck Kansas City, the Missouri and Kansas Rivers went down almost as fast as they had risen, and just as fast the civic and business leaders of the city went to work to survey the results, to reconstruct the damaged area, to reckon how soon Kansas City could be back to normal again.

During that first week of recovery and despite its appalling losses and discouraging prospect, Kansas City's people began to speak of "the Kansas City spirit," a phrase that harked back to earlier days. The Kansas City Star editorialized: "You can't lick Kansas City." Although business and industry were faced with paying by far the major share of the damage, there was determination to pay it, to rebuild at any cost, to have faith in the future of the city, and to resume normal operations in record-breaking time.

Actually, Kansas City's commerce was never brought to the low point that many people imagined from press reports. Only 11 of the more than 130 square miles of the city were under water. Only four out of seven of the major industrial areas of the city were affected by the flood. No major bridges were lost, the airport was still dry, and 90 percent of the city's residential area was untouched by the waters. None of the main downtown districts suffered and few outlying retail districts were affected.

Far less is known over the Nation about the miraculous job of recovery that has been accomplished than was known about the flood itself. Just 3 weeks after the black Friday of July 13 when the flood struck, the courage and determination of Kansas City to rebuild and recover have borne near-miraculous results. The Kansas City stockyards, second largest in the world, opened on Monday, August 6, weeks ahead of schedule. Wheat resumed its flow into Kansas City on July 27 and receipts the first week-end totaled 1,300,000 bushels, highest mark of the year. Three of the major packing companies—Wilson, Swift, and Armour—have reopened their plants and begun shipments. The big plants of General Motors, Colgate-Palmolive-Peet, National and Sunshine Biscuits, and scores of others are either in limited or full operation.

More than 125 industrial companies hit by the flood have started operation again, and more than 30,000 workers are back on jobs that had been washed out. Railroads are back to 90 percent of full efficiency, airlines are flying at full peak, trucking is pulling its preflood load.

Public Law 111 - 82d Congress
Chapter 301 - 1st Session
H. R. 3282

AN ACT

Making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank of Washington for the fiscal year ending June 30, 1952, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—TREASURY DEPARTMENT

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Treasury Department for the fiscal year ending June 30, 1952, namely:

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

For necessary expenses in the Office of the Secretary, including the book bindery; the operation and maintenance of the Treasury Building and Annex thereof; and the purchase of uniforms for elevator operators; \$2,446,000.

DAMAGE CLAIMS

For payment of claims (except those under the Bureau of Engraving and Printing) pursuant to law (28 U. S. C. 2672), \$25,000.

BUREAU OF ACCOUNTS

SALARIES AND EXPENSES

For necessary expenses including contract stenographic reporting services, \$1,925,000: *Provided*, That Federal Reserve banks and branches may be reimbursed for necessary expenses incident to the deposit of withheld taxes in Government depositories.

SALARIES AND EXPENSES, DIVISION OF DISBURSEMENT

For necessary expenses of the Division of Disbursement, \$11,500,000.

BUREAU OF THE PUBLIC DEBT

ADMINISTERING THE PUBLIC DEBT

For necessary expenses connected with any public-debt operations authorized by the Second Liberty Bond Act, as amended (31 U. S. C. 760-762), and with the administration of any public debt or currency issues of the United States with which the Secretary of the Treasury is charged, \$50,000,000 to be expended as the Secretary of the Treasury may direct, and the Secretary is authorized to accept services without compensation: *Provided*, That Federal Reserve banks and branches may be reimbursed for expenditures as fiscal agents of the United States on account of public-debt transactions for the account of the Secretary of the Treasury, and advances to the Postmaster General may be made in accordance with the provisions of section 22 (e) of the Second Liberty Bond Act, as amended (31 U. S. C. 757c (e)): *Provided further*, That the indefinite appropriation provided by section 10 of said Act, as amended, shall not be available for obligation during the current fiscal year.

OFFICE OF THE TREASURER

SALARIES AND EXPENSES

For necessary expenses of the Office of the Treasurer, \$20,600,000.

CONTINGENT EXPENSES, PUBLIC MONEYS

For the collection, safekeeping, transfer, and disbursement of the public money and securities of the United States, \$500,000.

BUREAU OF CUSTOMS

SALARIES AND EXPENSES

For expenses necessary for collecting the revenue from customs, enforcement of navigation laws under section 102, Reorganization Plan Numbered III of 1946, and of other laws enforced by the Bureau of Customs, and the detection and prevention of frauds, including not to exceed \$100,000 for the securing of information and evidence; transportation and transfer of customs receipts from points where there are no Government depositories; examination of estimates of appropriations in the field; expenses of attendance at meetings of organizations concerned with the purposes of this appropriation; purchase of one hundred passenger motor vehicles for replacement only; expenses of seizure, custody, and disposal of property; arms and ammunition; and not to exceed \$1,050,000 for personal services in the District of Columbia exclusive of ten persons from the field force authorized to be detailed under law (19 U. S. C. 1525); \$37,500,000.

BUREAU OF INTERNAL REVENUE

SALARIES AND EXPENSES

For necessary expenses in assessment and collection of internal-revenue taxes; administration of the internal-revenue laws; discharge of functions imposed upon the Commissioner of Internal Revenue by or pursuant to other laws; investigations concerning the enrollment or disbarment of practitioners before the Treasury Department in internal-revenue matters; and acquisition, operation, maintenance, and repair of property under title III of the Liquor Law Repeal and Enforcement Act (40 U. S. C. 304f-m), including expenses, when specifically authorized by the Commissioner, of attendance at meetings of organizations concerned with internal-revenue matters; purchase (not to exceed three hundred for replacement only) and hire of passenger motor vehicles, acquisition of the foregoing three hundred passenger motor vehicles insofar as possible to be from automobiles seized in accordance with law, in lieu of purchase, and in addition, the Bureau of Internal Revenue may utilize not to exceed twenty passenger motor vehicles acquired through seizure as provided by law; examination of estimates of appropriations in the field; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), and of expert witnesses at such rates as may be determined by the Commissioner of Internal Revenue; expenses of seizure, custody, and disposal of property; purchase of chemical analyses and expenses of testimony thereon; ammunition; securing of information and evidence; and not to exceed \$500,000 for detecting and bringing to trial persons guilty of violating the internal-revenue laws or conniving at the same, as authorized by law (26 U. S. C. 3792); \$253,000,000: *Provided*, That the amount for personal services in the District of Columbia shall not exceed \$17,700,000.

ADDITIONAL INCOME TAX ON RAILROADS IN ALASKA

For the payment to the Treasurer of Alaska of an amount equal to the tax of 1 per centum collected on the gross annual income of all railroad corporations doing business in Alaska, on business done in Alaska, which tax is in addition to the normal income tax collected from such corporations on net income, the amount of such additional tax to be applicable to general Territorial purposes, \$8,000.

BUREAU OF NARCOTICS

SALARIES AND EXPENSES

For expenses necessary to enforce sections 2550-2565; 2567-2571; 2590-2603; 3220-3228; 3230-3238 of the Internal Revenue Code; the Narcotic Drugs Import and Export Act, as amended (21 U. S. C. 171-184); the Act of June 14, 1930 (5 U. S. C. 282-282c and 21 U. S. C. 197-198) and the Opium Poppy Control Act of 1942 (21 U. S. C. 188-188n), including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); purchase of chemical analyses and testimony thereon; expenses of seizure, custody, and disposal of property; hire of passenger motor vehicles; arms and ammunition; not to exceed \$10,000 for the collection and dissemination of information and appeal for law observance and law enforcement, including cost of printing; securing of information and evidence; and not to exceed \$10,000 for services or information looking toward the apprehension of narcotic law violators who are fugitives from justice; \$2,100,000.

BUREAU OF ENGRAVING AND PRINTING

For working capital for the Bureau of Engraving and Printing Fund established by the Act of August 4, 1950 (Public Law 656), \$3,250,000: *Provided*, That hereafter, in order to foster competition in the manufacture of distinctive paper for United States currency and securities, the Secretary of the Treasury is authorized, in his discretion, to split the award for such paper between the two bidders whose prices per pound are the lowest received after advertisement.

SECRET SERVICE DIVISION

SALARIES AND EXPENSES

For expenses necessary in detecting, arresting, and delivering into other custody dealers and pretended dealers in counterfeit money, persons engaged in counterfeiting, forging, and altering United States notes, bonds, national bank notes, Federal Reserve notes, Federal Reserve bank notes, and other obligations and securities of the United States and of foreign governments (including endorsements thereon and assignments thereof), as well as the coins of the United States and of foreign governments, and persons committing other crimes against the laws of the United States relating to the Treasury Department and the several branches of the public service under its control; for the protection of the person of the President, the members of his immediate family, the Vice President, and of the person chosen to be President of the United States; purchase (not to exceed thirty-five for replacement only) and hire of passenger motor vehicles; arms and ammunition; and not to exceed \$20,000, with the approval of the Chief of the Secret Service, for services or information looking toward the apprehension of criminals; \$2,500,000.

SALARIES AND EXPENSES, WHITE HOUSE POLICE

For necessary expenses, including uniforms and equipment, and arms and ammunition, purchases to be made in such manner as the President may determine, \$647,000: *Provided*, That this appropriation shall be available for the employment of additional personnel without regard for the limitation contained in section 2 of the Act of August 15, 1950 (Public Law 693).

SALARIES AND EXPENSES, GUARD FORCE

For necessary expenses of the guard force for Treasury Department buildings in the District of Columbia, and elsewhere, including purchase, repair, and cleaning of uniforms; and arms and ammunition; \$450,000: *Provided*, That funds may be advanced or reimbursed to this appropriation from the Bureau of Engraving and Printing to cover service rendered such Bureau: *Provided further*, That the Secretary of the Treasury may detail two agents of the Secret Service to supervise such force.

BUREAU OF THE MINT

SALARIES AND EXPENSES

For necessary expenses at the mints at Philadelphia, Pennsylvania, San Francisco, California, and Denver, Colorado; the assay offices at New York, New York, and Seattle, Washington; the bullion depositories at Fort Knox, Kentucky, and West Point, New York; and the Office of the Director of the Mint, and for carrying out the provisions of the Gold Reserve Act of 1934 and the Silver Purchase Act of 1934, including arms and ammunition, purchase and maintenance of uniforms and accessories for guards, purchase of one passenger motor vehicle (for replacement only), cases and enameling for medals manufactured, loss on sale of sweeps arising from the treatment of bullion and the manufacture of coins, not to exceed \$1,000 for the expenses of the annual assay commission, and not to exceed \$1,000 for acquisition, at the dollar face amount or otherwise, of specimen and rare coins, including United States and foreign gold coins and pieces of gold used as, or in lieu of, money, and ores for addition to the Government's collection; \$4,600,000.

COAST GUARD

OPERATING EXPENSES

For expenses necessary for the operation and maintenance of the Coast Guard, not otherwise provided for, including pay and allowances, as authorized by law, for commissioned officers, cadets, warrant officers, and enlisted personnel, on active duty; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); purchase of not to exceed thirty-one passenger motor vehicles for replacement only; maintenance, operation, and repair of aircraft; not to exceed \$280,000 for recreation, amusement, comfort, and contentment of enlisted personnel of the Coast Guard, to be expended pursuant to regulations prescribed by the Secretary; and examination of estimates of appropriations in the field; \$162,700,000: *Provided*, That the number of aircraft on hand at any one time shall not exceed one hundred and thirteen exclusive of planes and parts stored to meet future attrition: *Provided further*, That no part of this appropriation shall be used to pay any enlisted man of the Coast Guard while detailed for duty at Coast Guard

headquarters if such detail increases above fifty-five the total number of enlisted men so detailed to duty at such time: *Provided further*, That (a) the unobligated balance of appropriation to the Coast Guard for the fiscal year 1951 for "Operating expenses" shall be transferred on July 1, 1951, to the account established by the Surplus Fund-Certified Claims Act of 1949 for payment of certified claims; (b) amounts equal to the unliquidated obligations on July 1, 1951, against the appropriation "Operating expenses", fiscal year 1951, and the appropriations to the Coast Guard for the fiscal year 1950 which were merged therewith pursuant to the Treasury Department Appropriation Act, 1951, shall be transferred to and merged with this appropriation, and such merged appropriation shall be available as one fund, except for accounting purposes of the Coast Guard, for the payment of obligations properly incurred against such prior year appropriations and against this appropriation, but on July 1, 1952, there shall be transferred from such merged appropriation to the appropriation for payment of certified claims (1) any remaining unexpended balance of the 1950 appropriations so transferred, and (2) any remaining unexpended balance of the 1951 appropriation so transferred which is in excess of the obligations then remaining unliquidated against such appropriation.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

For establishing and improving aids to navigation; the purchase or construction of additional and replacement vessels and their equipment; the purchase of aircraft and their equipment; the construction, rebuilding, or extension of shore facilities, including the acquisition of sites and improvements thereon when specifically approved by the Secretary; and for expenditures directly relating thereto, including personal services; \$15,350,000, to remain available until expended.

RETIRED PAY

For retired pay for commissioned officers, warrant officers, and enlisted personnel; for certain members of the former Life Saving Service authorized by law (14 U. S. C. 431b); and for certain officers and employees entitled thereto by virtue of former employment in the Lighthouse Service engaged in the field service or on vessels of the Coast Guard (33 U. S. C. 763, 765); including the payment of obligations therefor incurred during prior fiscal years; \$16,647,000.

RESERVE TRAINING

For all necessary expenses for the Coast Guard Reserve, as authorized by law (14 U. S. C. 751-762; 37 U. S. C. 231-319), including expenses for regular personnel, or reserve personnel while on active duty, engaged primarily in administration of the reserve program; purchase of not to exceed ten passenger motor vehicles; and the maintenance, operation, and repair of aircraft; \$1,850,000.

SEC. 102. This title may be cited as the "Treasury Department Appropriation Act, 1952".

TITLE II—POST OFFICE DEPARTMENT

For administration and operation of the Post Office Department and the postal service, there is hereby appropriated the aggregate amount of postal revenues for the fiscal year ending June 30, 1952, as authorized by law (5 U. S. C. 380; 39 U. S. C. 786), together with an amount from any money in the Treasury not otherwise appropri-

ated, equal to the difference between such revenues and the total of the appropriations hereinafter specified and the sum needed may be advanced to the Post Office Department upon requisition of the Postmaster General, for the following purposes, namely:

GENERAL ADMINISTRATION

For expenses necessary for general administration of the postal service, operation of the inspection service, and the conduct of a research and development program, including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); \$250,000 to be available exclusively for procurement by contract of things and services related to design, development, and construction of equipment used in postal operations, and for contracts for management studies; rewards for information and services concerning violations of postal laws and regulations, current and prior fiscal years, in accordance with regulations of the Postmaster General in effect at the time the services are rendered or information furnished; purchase of one passenger motor vehicle (for replacement only) at not to exceed \$4,500; and expenses of delegates designated by the Postmaster General to attend meetings and conventions for the purpose of making postal arrangements with foreign governments pursuant to law; and the expenses of delegates provided for herein and not to exceed \$20,000 for rewards, as provided for herein, shall be paid in the discretion of the Postmaster General and accounted for solely on his certificate; \$20,300,000.

POSTAL OPERATIONS

For expenses necessary for postal operations, not otherwise provided for, and for other activities conducted by the Post Office Department pursuant to law, including \$500,000 to be available exclusively for manufacture and procurement of improved devices for postal operations and other activities; \$11,579,000 to be available exclusively for the purchase of trucks, tractors, and trailers; and storage and repair of vehicles owned by, or under control of, units of the National Guard and departments and agencies of the Federal Government where repairs are made necessary because of utilization of such vehicles in the postal service; \$1,850,000,000: *Provided*, That during the current fiscal year the inventory of trucks, tractors, and trailers of the Post Office Department shall not exceed seventeen thousand five hundred such vehicles at any time.

TRANSPORTATION OF MAILS

For payments for transportation of domestic and foreign mails by air, land, and water transportation facilities, including current and prior fiscal years settlements with foreign countries for handling of mail; and for expenses, exclusive of personal services, necessary for operation of Government-owned highway post office transportation service; \$465,000,000.

CLAIMS

For settlement of claims, pursuant to law, current and prior fiscal years, for damages (28 U. S. C. 2672; 31 U. S. C. 224c); losses resulting from unavoidable casualty (39 U. S. C. 49); loss of or damage to mail, and failure to remit collect-on-delivery charges (5 U. S. C. 372; 39 U. S. C. 244, 245a, 245b, 245d, 381, 382, 387); and domestic money orders more than one year old (31 U. S. C. 725k); \$5,500,000.

GENERAL PROVISIONS

SEC. 202. Appropriations made in this title for general administration and for postal operations shall be available for examination of estimates of appropriations in the field.

SEC. 203. Appropriations made in this title, except those for payment of claims, shall be available for expenditures in connection with accident prevention.

SEC. 204. Appropriations made in this title available for expenses of travel shall be available, under regulations prescribed by the Postmaster General, for expenses of attendance at meetings of technical, scientific, professional, or other similar organizations concerned with the function or activity for which the appropriation concerned is made.

SEC. 206. This title may be cited as the "Post Office Department Appropriation Act, 1952".

TITLE III—GOVERNMENT CORPORATIONS

The following corporation is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to such corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the Budget for the fiscal year 1952 for such corporation, except as hereinafter provided:

EXPORT-IMPORT BANK OF WASHINGTON

Not to exceed \$950,000 (to be on an accrual basis) of the funds of the Export-Import Bank of Washington shall be available during the current fiscal year for all administrative expenses of the bank, including not to exceed \$25,000 for temporary services, as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a): *Provided*, That necessary expenses (including special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the bank or in which it has an interest including expenses of collections of pledged collateral, or the investigation or appraisal of any property in respect to which an application for a loan has been made, shall be considered as nonadministrative expenses for the purposes hereof.

SEC. 302. This title may be cited as the "Export-Import Bank of Washington Appropriation Act, 1952".

TITLE IV—GENERAL PROVISIONS

SEC. 401. No part of any appropriation contained in this Act, or of the funds available for expenditure by any corporation included in this Act, shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an

organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation or fund contained in this Act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

SEC. 402. No part of the money appropriated by this Act or of the funds made available for expenditure by the Export-Import Bank of Washington which is in excess of 75 per centum of the amount required to pay the compensation of all persons the budget estimates for personal services heretofore submitted to the Congress for the fiscal year 1952 contemplated would be employed by the Treasury and Post Office Departments and the Export-Import Bank of Washington during such fiscal year in the performance of—

(1) functions performed by a person designated as an information specialist, information and editorial specialist, publications and information coordinator, press relations officer or counsel, photographer, radio expert, television expert, motion-picture expert, or publicity expert, or designated by any similar title, or

(2) functions performed by persons who assist persons performing the functions described in (1) in drafting, preparing, editing, typing, duplicating, or disseminating public information publications or releases, radio or television scripts, magazine articles, photographs, motion pictures, and similar material, shall be available to pay the compensation of persons performing the functions described in (1) or (2).

SEC. 403. Except for the automobiles officially assigned to the Secretary of the Treasury and the Postmaster General, respectively, and automobiles assigned for operation by the Secret Service Division, no part of any appropriation contained in this Act shall be used to pay the compensation of any civilian employee of the Government whose primary duties consist of acting as chauffeur of any Government-owned passenger motor vehicle (other than a bus or ambulance), unless such appropriation is specifically authorized to be used for paying the compensation of employees performing such duties.

SEC. 404. This Act may be cited as the "Treasury and Post Office Departments Appropriation Act, 1952".

Approved August 11, 1951.

